INTERNET
The Votes and Proceedings for the House of Representatives are available at

Proof and Official Hansards for the House of Representatives,
the Senate and committee hearings are available at

For searching purposes use
http://parlinfo-web.aph.gov.au

SITTING DAYS—2004

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>10, 11, 12, 16, 17, 18, 19</td>
</tr>
<tr>
<td>March</td>
<td>1, 2, 3, 4, 8, 9, 10, 11, 22, 23, 24, 25, 29, 30, 31</td>
</tr>
<tr>
<td>April</td>
<td>1</td>
</tr>
<tr>
<td>May</td>
<td>11, 12, 13, 24, 25, 26, 27, 31</td>
</tr>
<tr>
<td>June</td>
<td>1, 2, 3, 15, 16, 17, 21, 22, 23, 24</td>
</tr>
<tr>
<td>August</td>
<td>3, 4, 5, 9, 10, 11, 12, 30, 31</td>
</tr>
<tr>
<td>September</td>
<td>1, 2, 6, 7, 8, 9, 27, 28, 29, 30</td>
</tr>
<tr>
<td>October</td>
<td>5, 6, 7</td>
</tr>
<tr>
<td>November</td>
<td>1, 2, 3, 4, 22, 23, 24, 25, 29, 30</td>
</tr>
<tr>
<td>December</td>
<td>1, 2</td>
</tr>
</tbody>
</table>

RADIO BROADCASTS
Broadcasts of proceedings of the Parliament can be heard on the following Parliamentary and News
Network radio stations, in the areas identified.

<table>
<thead>
<tr>
<th>Location</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>CANBERRA</td>
<td>1440 AM</td>
</tr>
<tr>
<td>SYDNEY</td>
<td>630 AM</td>
</tr>
<tr>
<td>NEWCASTLE</td>
<td>1458 AM</td>
</tr>
<tr>
<td>GOSFORD</td>
<td>98.1 FM</td>
</tr>
<tr>
<td>BRISBANE</td>
<td>936 AM</td>
</tr>
<tr>
<td>GOLD COAST</td>
<td>95.7 FM</td>
</tr>
<tr>
<td>MELBOURNE</td>
<td>1026 AM</td>
</tr>
<tr>
<td>ADELAIDE</td>
<td>972 AM</td>
</tr>
<tr>
<td>PERTH</td>
<td>585 AM</td>
</tr>
<tr>
<td>HOBART</td>
<td>747 AM</td>
</tr>
<tr>
<td>NORTHERN TASMANIA</td>
<td>92.5 FM</td>
</tr>
<tr>
<td>DARWIN</td>
<td>102.5 FM</td>
</tr>
</tbody>
</table>
## CONTENTS

### House

**Questions Without Notice—**
- Small Business: Growth ......................................................... 31037
- Australian Defence Force: Deployment .................................. 31037
- Small Business: Growth ......................................................... 31039
- Economy: Performance ......................................................... 31039
- Banking: Services ............................................................... 31040
- Trade: Free Trade Agreement ................................................... 31040
- Distinguished Visitors .......................................................... 31041

**Questions Without Notice—**
- Health: Child Obesity .......................................................... 31041
- Health: Pharmaceutical Benefits Scheme ............................ 31043
- Taxation: Family Payments .................................................... 31044
- Regional Services: Area Consultative Committees .............. 31045
- Howard Government: Advertising ......................................... 31047
- Health: Policy ................................................................. 31047
- Education: Funding .......................................................... 31048
- Distinguished Visitors .......................................................... 31050

**Questions Without Notice—**
- Environment: Murray-Darling River System ......................... 31051
- Health: Magnetic Resonance Imaging Machines .................... 31052
- Education: National Standards ............................................ 31052
- Wentworth Electorate: Electronic Communications ............... 31053
- Workplace Relations: Industrial Action ............................... 31053

**Personal Explanations** ....................................................... 31054

**Questions to the Speaker—**
- Liverpool Council ............................................................... 31056
- Wentworth Electorate: Electronic Communications ............... 31056

**Auditor-General’s Reports—**
- Report No. 54 of 2003-04 ..................................................... 31057

**Papers** ................................................................................. 31057

**Matters of Public Importance—**
- Education: Schools Funding ................................................. 31057
- Bills Referred to Main Committee ........................................ 31071
- Higher Education Legislation Amendment Bill (No. 2) 2004—
  - First Reading ........................................................................ 31072
  - Second Reading ................................................................. 31072
- Family and Community Services and Veterans’ Affairs Legislation Amendment
  (Sugar Reform) Bill 2004—
  - First Reading ........................................................................ 31073
  - Second Reading ................................................................. 31073
- Veterans’ Entitlements (Clarke Review) Bill 2004—
  - Consideration of Senate Message ........................................ 31074

**Business—**
- Rearrangement .................................................................... 31090

**Australian Energy Market Bill 2004 [cognate bill]**
  - Second Reading ................................................................. 31090
  - Third Reading .................................................................... 31120
CONTENTS—continued

  Second Reading ............................................................................................ 31120
  Third Reading ............................................................................................. 31122
Anti-Terrorism Bill 2004—
  Consideration of Senate Message ................................................................ 31122
Main Committee—
  Science and Innovation Committee—Reference ........................................... 31131
  Aboriginal and Torres Strait Islander Affairs Committee ............................. 31132
  Communications, Information Technology and the Arts Committee .......... 31132
Taxation Laws Amendment Bill (No. 7) 2003—
  Consideration of Senate Message ................................................................ 31132
Workplace Relations Amendment (Protecting Small Business Employment) Bill 2004—
  Second Reading ............................................................................................ 31132
Adjournment—
  Deakin Electorate: Automotive, Manufacturing and Technology Skills Centre 31149
  National Security: Terrorism ........................................................................ 31150
  Aston Electorate: Water Management ............................................................ 31151
  Shipping: Salvage ......................................................................................... 31153
  Northern Territory Government .................................................................... 31154
  Afghanistan ................................................................................................... 31155
Notices ........................................................................................................... 31156
Main Committee
Condolences—
  Bacon, Hon. James (Jim) Alexander ............................................................... 31158
Questions on Notice
  Australian Federal Police: Deployment—(Question No. 2966) ..................... 31173
  Environment: Murray-Darling Basin—(Question No. 3345) ......................... 31174
  Immigration: Illegal Entry Vessels—(Question No. 3376) ......................... 31176
  Coastwatch—(Question No. 3383) ................................................................. 31176
  Coastwatch—(Question No. 3385) ................................................................. 31176
  Chisholm and Deakin Electorates: Bulk-Billing—(Question No. 3431) ......... 31177
  Attorney-General’s: E-Security National Agenda—(Question No. 3496) ....... 31178
  National Security: Guarding Services—(Question No. 3497) ...................... 31180
  National Security: Infrastructure Protection—(Question No. 3500) ............. 31180
  Critical Infrastructure Advisory Council—(Question No. 3501) ................ 31181
  Customs: Explosive Detector Dogs—(Question No. 3504) ......................... 31186
  Australian Federal Police: Terrorism and Dealing with Assets—
                     (Question No. 3519) .................................................................... 31187
  Immigration: Electronic Visas—(Question No. 3530) ................................... 31187
  Defence: Marine Patrols—(Question No. 3536) ........................................... 31189
  Attorney-General’s: Staff—(Question No. 3544) ......................................... 31189
  Immigration and Multicultural and Indigenous Affairs: Staffing—
                    (Question No. 3547) ................................................................. 31192
  Environment: Timber Products—(Question No. 3550) ............................... 31195
  Environment: Threatened Seabirds—(Question No. 3553) ......................... 31195
Tuesday, 22 June 2004

The SPEAKER (Mr Neil Andrew) took the chair at 2.00 p.m. and read prayers.

QUESTIONS WITHOUT NOTICE

Small Business: Growth

Mr LATHAM (2.01 p.m.)—My question is to the Prime Minister. Has the Prime Minister seen comments by the Minister for Small Business and Tourism today where he accuses Australia’s small businesses of having colourful accounting practices and poor corporate governance and says that the biggest challenge for the small business sector is trade practices reform? Instead of attacking Australia’s small businesses, why doesn’t the government do something to help them by adopting Labor’s policy of outlawing predatory pricing, creating cease-and-desist powers and restricting creeping acquisitions? Why is the government favouring big business at the expense of Australia’s hardworking small business sector?

Mr HOWARD—The Leader of the Opposition starts talking about attacking small business, but I would have thought that 21 per cent interest rates were a bit of a frontal attack on small business. All of the policies that our government have followed—and I am very proud and ready to include in that the magnificent contribution of the member for North Sydney and Minister for Small Business and Tourism—have been designed to create what is clearly the case: we have the best economic conditions for small business of any time since World War II. So, far from attacking small business with high interest rates, high inflation and brutal industrial relations legislation, we have altered the landscape so that the levels of confidence in small business are higher than they have been, certainly at any time in the last 20 years, and arguably higher than at any time since World War II.

Australian Defence Force: Deployment

Mr PEARCE (2.03 p.m.)—My question is addressed to the Minister for Foreign Affairs. Would the minister inform the House of the contribution that Australian Defence Force assets deployed to the Iraqi theatre under Operation Catalyst and Operation Slipper are making to Australia’s interests in Iraq? Are there any alternative views?

Mr DOWNER—First, can I thank the honourable member for Aston. I know that he gives our Defence Force personnel working in Iraq enormous support and his constituents appreciate that. As he knows, the Australian Defence Force is making a vital contribution in Iraq. There are 86 Australian Defence Force personnel who are defending our representative office there and its officials; 65 who are training the Iraqi army and navy to improve security in Iraq; 65 who are operating the air traffic control in Baghdad at the international airport; the HMAS Stuart, which is defending Iraq from terrorist attacks in the Persian Gulf as it did in relation to the Basra oil terminal in April; and the P3C Orions, which provide surveillance for coalition operations in Iraq. We are immensely proud of these Australian Defence Force personnel who risk their lives every day in the cause of freedom in Iraq.

As to whether there are any alternative views, there is the shambles of the Labor Party’s policy. Those of us who had the privilege of watching the 7.30 Report last night and seeing a rather underconfident and uncertain Leader of the Opposition suddenly saw emerging from the gloom of the interview Labor’s seventh policy on troops in Iraq. Let us just go through it. Back in November last year, the member for Griffith wrote a letter to the Prime Minister. I am sure that the House has forgotten this. He said:
... now that regime change has occurred—
in Iraq—

... it is the opposition’s view that it is now the responsibility of all people of goodwill, both in this country and beyond, to put their shoulder to the wheel in an effort to build a new Iraq.

Those are fine words from the member for Griffith in November last year. But time moved on and policy No. 2 was heard on 2UE with Mike Carlton. On 23 March, the Leader of the Opposition said: ‘Troops home by Christmas—all troops home by Christmas.’ That is what we heard. The cut-and-run policy was announced.

Within a few days, the spokesman for the Leader of the Opposition was articulating the third policy to the Age newspaper on 27 March, which was that perhaps HMAS Melbourne, which was then the frigate that we had in the Gulf, and the P3C aircrews would remain, but everyone else would be out. Then there was the Lowy lecture given by the Leader of the Opposition on 7 April. There were no ifs and no buts in that speech. That was the ‘troops home by Christmas’ speech. Suddenly all of the troops were coming home by Christmas.

But hang on. Not many days passed, and we had the opposition spokesman on foreign affairs, the member for Griffith, realising the folly in that we might actually need some troops in Iraq to guard the Australian diplomats and officials there, otherwise we would have to close the office. So the Lowy speech was ‘all troops out’ but on 26 May, a month later, the member for Griffith was saying that ‘the responsible course of action is to get advice from the diplomatic security adviser on how best to secure the mission’—so there was the possibility that troops would stay.

Then we heard that the C130s were going to be pulled out. So we were keeping some troops there to protect the representative office but we had no supply for it, and the opposition thought maybe we could go and beg the Americans to provide that assistance. That was policy No. 6.

Since last night we are now up to policy No. 7. Through the fog came the faint cry of a Leader of the Opposition with no interest whatsoever in detail, a Leader of the Opposition with no interest in major policy issues, saying that the troops operating within Iraq would be withdrawn by Christmas. So what is the Leader of the Opposition saying? That the representative office will be closed. The Leader of the Opposition is saying he will not leave any troops behind to protect the Australian representative office. So the office will be closed. This, of course, contrasts very dramatically with the member for Griffith’s position, and he is now left hung out to dry.

The Leader of the Opposition said last night that HMAS Stuart and the Orions could stay because they were part of Operation Slipper, that they could stay because they are part of the war against terrorism. But if the terrorists cross the border into Iraq then that ship and those aircraft cannot operate in the Iraqi theatre. That is the position of the Leader of the Opposition. The confusion of the opposition on one central policy issue—an important policy issue—and the fact that the Leader of the Opposition cannot get this simple policy right is, I think, a guide to why he cannot produce a tax policy, because if you think that this is too complicated then imagine how confused the Leader of the Opposition is with his own tax policy.

Opposition members interjecting—

The SPEAKER—Order! The member for Fraser has the call. He is only being denied the call by the performance of those behind him. It is not unusual for members on either side to approach the chair. I had given the member for Fraser the call.
Small Business: Growth

Mr McMULLAN (2.10 p.m.)—My question is to the Prime Minister, and I refer to his proposed small business statement and to the legislative reforms to the Trade Practices Act preferred by his Treasurer and circulated for comment to stakeholders. Will the Prime Minister override the Treasurer’s pathetically weak draft legislation and respond more positively to small business demands for strengthening the Trade Practices Act to protect small business from unfair competition?

The SPEAKER—The member for Fraser is more aware than most that the imputation in the question was inappropriate.

Mr HOWARD—In reply to the member for Fraser, I assure him that the Treasurer and I will continue our highly successful partnership of the last 8½ years to create and maintain the best economic conditions that small business has had for many years. I can assure the member for Fraser that the Treasurer and I will be combining, over the weeks—indeed months, and beyond that into the future—to maintain those conditions for small business. And, importantly, if you want to get the monkey off the back of small business, you will pass those unfair dismissal laws.

Economy: Performance

Mr NAIRN (2.12 p.m.)—My question is addressed to the Treasurer. Would the Treasurer outline to the House data released today in relation to the housing market and motor vehicle sales? What do these data indicate about the strength of the Australian economy? Are there any policies that could put this strength at risk?

Mr COSTELLO—I thank the honourable member for Eden-Monaro for his question. I can inform him that today the ABS released statistics on dwelling unit commencements for the March quarter. They showed that the total number of dwelling unit commencements fell by 2.7 per cent. You can put this together with commencements of houses, which fell 3.3 per cent in the March quarter. This confirms what the government forecast in its budget: that housing market indicators, including finance data, auction clearance rates and house prices are all pointing to an easing in house price activity. I have been saying for 12 to 18 months that you could not expect the kind of growth in house prices that we have seen in Australia to continue indefinitely. The government in fact welcomes the plateauing of prices; the government in fact welcomes cooling in the housing market.

Having said that, I should add that the government does not welcome the completely incompetent intervention from the New South Wales government in relation to the housing market. It chose this time of all times—with dwelling unit commencements turning down and the market cooling—to introduce an entirely new tax on property investors. We have seen some incompetent economic management coming from state governments in this country, but this one coming out of the New South Wales Labor government must rank as one of the rankest of all. It is a move which has apparently not raised an eyebrow from federal Labor. Federal Labor has had nothing to say about the Carr government’s new taxes. Obviously, federal Labor has a few new taxes of its own in mind should it come to government in this country.

Let me also comment on motor vehicle sales for the month of May. The data released for new motor vehicle sales in May showed a 2.1 per cent increase, with new motor vehicle sales 3.1 per cent higher than a year ago. The Federal Chamber of Automotive Industries is predicting new car sales will reach a record of 960,000 in 2004—an all-time record for motor vehicle sales in Australia. This has been led in particular by
businesses purchasing new vehicles. Why would that be? Why would we now be at an all-time record in relation to new motor vehicle sales?

The first thing is that we abolished a 22 per cent wholesale sales tax on cars and replaced it with a 10 per cent GST. If you happen to be a business buyer, because you get a credit for the GST you paid when you bought the car, you effectively buy tax free. Since we are on the theme of small business today, we ought to remember this: if the Australian Labor Party had had its way, every small business in Australia would be paying 22 per cent wholesale sales tax more for their cars than they are today.

Mr Kelvin Thomson—You’ve got to pay your GST!

Mr COSTELLO—In comes the member for Wills with one of the most incompetent and ignorant interjections. He says they have to pay the GST. If he had opened his ears, he would have heard me say that business gets a credit for its GST. So business in fact pays nothing in relation to motor vehicles. It is always the most inopportune statement and the most inane comment from the member for Wills. Business pays no GST. If Labor had had its way, all small businesses in this country would be paying a 22 per cent wholesale sales tax on vehicles purchased for their business, including their tractors and their utes and all the things they bring in to their business. If Labor had had its way, small business taxes would be much higher than they are today and the Australian economy would be much weaker.

Banking: Services

Mr LATHAM (2.17 p.m.)—My question is to the Prime Minister. I refer to his claim yesterday that the banks already provide no-frills accounts to low-income earners. Prime Minister, aren’t these accounts quite limited, and isn’t that why Liberal MPs on the Parliamentary Joint Committee on Corporations and Financial Services have said that the banks should set a better standard for basic accounts? Why is the Prime Minister on the side of the big banks instead of on the side of the five million Australians who would benefit from changes to the Banking Act to establish a comprehensive system of low-cost bank accounts in this country?

Mr HOWARD—In the 8½ years that I have been Prime Minister of this country, I have been on the side of people who have borrowed from the banks, because I have presided over the lowest interest rates in 30 years. You can have all your complicated policy and all your rhetoric, but what really matters to the average Australian is what you deliver. When Labor was in office, it delivered housing interest rates of 17 per cent, it delivered small business rates of 21 per cent and it delivered bank bill rates for Australian farmers of 23 per cent. Since we have been in office, we have presided over the lowest interest rate regime this country has had for 30 years. I am confident that the borrowers of Australia will remember that long beyond the rhetoric and puffery of last weekend from the Leader of the Opposition.

Trade: Free Trade Agreement

Mr CAUSLEY (2.19 p.m.)—My question is directed to the Minister for Trade. Would the minister update the House on developments with the Australia-United States free trade agreement and Australia’s regional trade agenda more broadly? Is the minister aware of any alternative policies?

Mr VAIL—I thank the honourable member for Page for his question. The member for Page is very cognisant of the importance of the Australia-United States free trade agreement to his electorate, particularly the agricultural producers—the beef and dairy producers—in his area that so desper-
ately need new markets and increased market capacity.

The Australia-United States free trade agreement is the most significant bilateral trade agreement to be negotiated in Australia’s history. It is an opportunity to strengthen and deepen our economic ties with a dynamic economy and a market of almost 300 million people. Importantly, it is an opportunity for us to get ahead of the pack, to get ahead of the rest of our competitors, in getting into that market. Many of those competitors are queuing up to negotiate similar agreements with the United States.

We will introduce the enabling legislation into the parliament tomorrow to enable debate about this agreement. But it should be noted that this is not our first free trade agreement. Twenty-one years ago we concluded the closer economic relationship agreement with New Zealand. Since then, our government has negotiated and concluded free trade agreements with Singapore and Thailand. It is even more interesting to note that the 2001 Australian Labor Party election policy pledged to finalise the then already started free trade agreement with Singapore, noting that it would enhance the ‘close economic relationship’ between Australia and Singapore. After that, Labor welcomed the free trade agreement we negotiated with Thailand. Their trade spokesman, Senator Conroy, described it as ‘an important step in the development of our trade policy’.

Yet when the government announced that we had concluded a negotiation with the United States earlier this year, the first reaction of the Leader of the Opposition was to say that Labor would oppose the deal. His gut reaction—his instinct—was to say that they would oppose the deal. We need to ask ourselves why. Why can’t the Leader of the Opposition make up his mind as quickly on this agreement as Labor did on the Singapore agreement and the Thai agreement and their commitment when they actually concluded and signed the closer economic relationship agreement with New Zealand 21 years ago?

Even since then we have seen all six Labor premiers—the six Labor leaders in office, who have the responsibility of governing their states—across Australia support this agreement because they know it is in the interests of their states. We heard today the member for Corio, the Labor Party spokesman on agriculture. He has made up his mind. He told the NFF this morning that the FTA legislation ought to be supported at this stage. That is the member for Corio. Informed members of the Labor Party—the six Labor state premiers and the member for Corio—have been able to make up their minds about the benefits of the FTA. They know that it is good for Australia. What they do not know is what their leader is prepared to do and whether he is prepared to put aside his anti-Americanism and support a deal that is good for Australia and is in the national interest.

DISTINGUISHED VISITORS

The SPEAKER (2.22 p.m.)—I inform the House that we have present in the gallery this afternoon a delegation of New Zealand parliamentarians representing the New Zealand parliament’s Finance and Expenditure Review Committee. On behalf of all members of the House, I extend a warm welcome to our New Zealand colleagues.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Health: Child Obesity

Mr LATHAM (2.23 p.m.)—My question is to the Prime Minister. Is the Prime Minister aware that the Australian Medical Association, the Royal Australasian College of Physicians, the Public Health Association of
Australia and great athletes like Robert de Castella all support a ban on junk food advertising on children’s television? In the words of Deek, anything that reduces the marketing is a good thing. Why then in question time yesterday did the Prime Minister say he was opposed to the ban because of a loss of revenue to the corporate sector?

Government members interjecting—

The SPEAKER—Order! The Leader of the Opposition has the call. He will be heard.

Mr LATHAM—Shouldn’t the Prime Minister of this country be on the side of Australian doctors, Australian parents and Australian sportspeople in the fight against childhood obesity?

Mrs Bronwyn Bishop—Mr Speaker, I rise on a point of order. I cite standing order 144 and the practice on that standing order, which says that questions cannot be debated and that they cannot contain arguments, comments or opinions. They may not become lengthy speeches, and they may not in themselves suggest answers. I say to you, Mr Speaker, that the Leader of the Opposition has breached each of those statements and accordingly the question should be ruled out of order.

The SPEAKER—The question stands.

Mr HOWARD—Let me thank the Leader of the Opposition for his question. I remind the Leader of the Opposition that what he based his question on was dishonest. It was a quite dishonest statement. Let me read this out—and let the House follow this—to give you an example of what a devious and slimy question that really was. This is the question that I was asked by the member for Lalor:

My question is to the Prime Minister. I refer the Prime Minister to the research conducted by Professor Boyd Swinburn ...

In the interests of time, I will paraphrase it: ‘Why don’t you support the Labor Party’s ban?’ This is what I said:

I thank the member for Lalor for her question. Let me just say again to her, through you, Mr Speaker, why I am against the ban proposed by the Labor Party. My philosophical view is that, if something is legal to sell, then in the absence of an overwhelming public interest case it should not be illegal to advertise it.

The fact that later on I made a reference to the impact on free-to-air television does not in any way alter this.

Honourable members interjecting—

The SPEAKER—Order! Precisely the same courtesy that I expect to be extended to the Leader of the Opposition will be extended to the Prime Minister, or those defying the chair, on either side, will be dealt with.

Mr HOWARD—I made it very clear what the philosophical basis of it was. I thank the Leader of the Opposition again for giving me an opportunity to repeat my position. My position is very simple: if something is legal to sell, in the absence of an overwhelming public case to the opposite, we have a right in this country to advertise it. We had some debate yesterday about smoking, alcohol and a few other things. It happens to be the case in this country—and I say this in further reply to what was raised by the member for Lalor—that of course you have a ban on alcohol advertisements during children’s programs, because the last time I checked it was illegal for children to consume alcohol. The last time I checked, it was not illegal for children to consume McDonald’s. It might be undesirable for them to eat too much McDonald’s, but, while there is not a safe level of consumption of tobacco, there is a safe level of consumption of McDonald’s. In the absence of excess consumption of it, I do not think there is a case advanced by the Labor Party.
What Labor would do is to ban all food and drink advertisements during programs classified as children’s programs and also general programs which are likely to be widely watched by children. That would include bans on Woolworths fresh food. It would include bans on milk advertisements. It would include bans on bottled water advertisements. It would include bans on the whole lot of advertisements of things that could not be classified as junk food. I said yesterday that there could be no justification for that unless you wanted to argue that you should ban analgesics being advertised. There is a safe level of use of analgesics, but if they are used too often they can do great damage to your health. The same thing can be said, of course, in relation to alcohol. I think the Labor Party’s position is illogical. I think it does represent a threat, as I said yesterday, to the free-to-air television system, but the basis of my objection is the philosophical one I outlined, and not my answer as deliberately distorted by the Leader of the Opposition.

Health: Pharmaceutical Benefits Scheme

Mr LINDSAY (2.30 p.m.)—My question is addressed to the Treasurer. Treasurer, are you aware of reports that Labor will now support measures introduced in the 2002 budget aimed at putting the Pharmaceutical Benefits Scheme on a more sustainable basis? Treasurer, what is your response?

Mr COSTELLO—I thank the honourable member for Herbert for his question. I remind the House that not in this year’s budget and not in last year’s budget but in the budget brought down on 14 May 2002 the government announced proposals for copayments to put the Pharmaceutical Benefits Scheme on a sustainable basis. Copayments had been introduced by the Labor Party in 1990. In that 2002 budget the government proposed to increase the copayment for pensioners by $1 and to increase the payment for others by $6.20. Both of these schemes have a safety net—that is, if you are a pensioner, after 52 scripts in the year you get the remainder of your scripts free for that year. If you are a non-pensioner, after you have paid $874.90 in a particular year you drop down to the concessional rate.

We announced that that would take effect from 1 July 2002. As the Intergenerational Report of the Commonwealth had shown, there was no faster growing area of Commonwealth expenditure than the Pharmaceutical Benefits Scheme, and our projections showed that it would increase to 3.4 per cent of GDP in 40 years time. Unless measures were put in place to make it financially sustainable, Australians would be denied access to high-quality and new drugs. That measure has been stoutly resisted by the Australian Labor Party since its announcement on 14 May 2002. So imagine my surprise to see that on the Channel 10 news this morning—25 months after the announcement—Paul Bongiorno did a live cross and reported as follows: ‘There were heated discussions in caucus this morning. The Labor leader, backed by Simon Crean and Bob McMullan, pushed Labor to reverse its opposition to government moves introduced last year’—it was not last year; it was 2002—‘to make changes to the Pharmaceutical Benefits Scheme. Labor will now support those changes and is calling on the Treasurer to activate the bill.’

Mr Howard—It is all your fault!

Mr COSTELLO—I have been delaying on this bill, yes! For 25 months that bill has been either sitting in the Senate or rejected by the Australian Labor Party. For 25 months the Australian Labor Party has had the opportunity to pass that bill. The Australian Labor Party has opposed that bill in the House of Representatives and in the Senate and in the community and in committee for
the last 25 months. Now the Australian Labor Party calls on me to activate the bill. As recently as January of this year—and this is a transcript which has not yet been airbrushed, so I ask people to get onto the web site—the Leader of the Opposition, with Joseph Thomsen on ABC Radio in South Australia, said:

In the last 18 months ... we’ve been blocking increases in pharmaceutical expenses. The Government’s trying to put it up $6.50 for families, $1.00 for pensioners and Labor has been saying no ...

That was on 14 January 2004. Let me say that if the Labor Party takes 25 months to come around to the right decision, we welcome it; we absolutely welcome it. This is one of those occasions where the coalition absolutely welcome the backflip by the Leader of the Opposition. We ask only one question: why did it take 25 months?

Now that the Labor Party is in the mood for backflips, can we give you a suggested agenda for your next party meeting? The unfair dismissal laws have been rejected 40 times, so maybe Labor could do a backflip in relation to those. The disability pension reforms have been rejected, just as those Pharmaceutical Benefits Scheme ones were rejected, and have been waiting 25 months for passing. There is a very long list of government legislation that we would welcome Labor backflips in relation to.

We know why Labor has backflipped on this one. Labor has been stung by the fact that it has made $10 billion worth of promises and $11 billion of tax cuts. It plans on having a bigger surplus and investing in an intergenerational fund. Somebody has said, ‘The magic pudding doesn’t quite work that way any more, so let’s try and clear the decks in relation to the Pharmaceutical Benefits Scheme.’ I point out, by the way, that some of the savings from that measure have already been lost, because the fact of the matter is that the copayments have been indexed since the measure was announced. So you are no longer putting it up by $1; the indexation has taken it from $3.60 to $3.80 and an increase to $4.60 would be an increase of only 80c. Somebody says it may have even gone to $4; my information is $3.80. But in any event, some of those savings have already been lost because of that 25-month delay.

This is good policy, and I welcome the fact that the Labor Party is now supporting it. It always was good policy. It was only opportunism that led the Labor Party to take the position that it did. It is only opportunism that keeps the Labor Party opposing matters like unfair dismissal. Whilst the Labor Party is in the mood for backflips, let us continue the process.

**Taxation: Family Payments**

*Mr SWAN (2.37 p.m.)*—My question without notice is directed to the Minister for Children and Youth Affairs. Minister, is it the case that families who have end-of-financial-year family tax benefit debts will not receive their bills until after the federal election?

*Government members interjecting*—

*Mr Hockey*—You have your crystal ball!

*Mr SWAN*—Too right we do!

*The SPEAKER*—Order! The member for Lilley has the call. He will address his remarks through the chair.

*Mrs SWAN*—Minister, why doesn’t the government’s multimillion-dollar advertising campaign provide early warning to families who have end-of-financial-year family tax benefit debts will not receive their bills until after the federal election?

*Government members interjecting*—

*Ml Hockey*—You have your crystal ball!

*Mrs SWAN*—Too right we do!

*The SPEAKER*—Order! The member for Lilley has the call. He will address his remarks through the chair.

*Mrs SWAN*—Minister, why doesn’t the government’s multimillion-dollar advertising campaign provide early warning to families who are at risk of this clawback so they can put aside their $600 payment in preparation for the debt?

*Mrs ANTHONY*—I am amazed that the member for Lilley knows when the election date is going to be. Perhaps it is something that he could share with us. I will tell you what we are sharing with the Australian peo-
people: through good economic management we have been able to return a significant social dividend to Australian families—that is, the $600 payment that FTB part A customers have received last week or will receive this week. They are going to receive it again in September.

The greatest risk to Australian families when it comes to not receiving that $600 is from the Australian Labor Party, who have refused to guarantee that $600 in the next financial year. I am sure that, if I were one of the 9,700 families in the member for Lilley’s electorate, I would appreciate that $600 payment and, if I were one of the 17,000 families in the member for Werriwa’s electorate, I would welcome that payment. Indeed, the greatest risk—as I mentioned before—is that the Australian Labor Party have refused that $600 payment in future years. We are going to see a Latham lunge and clawback in the next financial years, because you have refused to guarantee it.

No wonder we have to have an advertising campaign when we hear mistruths coming from the Australian Labor Party, because they have failed to guarantee that $600. I was door knocking in the area of Ocean Shores in my community on the weekend and I must say that, when I knocked on their doors, people said, ‘We’d like to thank the government and thank Mr Howard for that $600 and future payments, all because of good economic management by the coalition government.’

Regional Services: Area Consultative Committees

Mr TOLLNER (2.41 p.m.)—My question is to the Deputy Prime Minister and the Minister for Transport and Regional Services. Would the Deputy Prime Minister inform the House of the important contribution that area consultative committees are making to the economic and social wellbeing of communities in regional Australia? Is the Deputy Prime Minister aware of alternative approaches to delivering regional services?

Mr ANDERSON—I thank the member for Solomon for his question and note his real interest, shared by everyone on this side of the House, in regional development and in better opportunities for people who live in the regions across the nation. It is the case that the national conference of the ACC chairs is being held in Canberra tomorrow. We have a good opportunity for the 56 area consultative committee chairs to come here, talk to us and refine and develop the techniques they use to deliver stronger regional growth and more job opportunities in this vast nation’s far-flung rural communities. They are not all rural communities, but many of them are.

I want to say that we highly value the work that the ACCs do. They are an essential part of what we call the partnership approach to growing local communities. They bring communities, businesses and governments together to drive local solutions to local problems. It is all about local empowerment. There is no doubt that the many members in this place enjoy their relationships with their local ACCs and they work very closely with them. Indeed, since 1996 ACCs have driven development worth more than $900 million and, in many cases, they put together quite innovative local solutions using a lot of the tools that we have made available, including such things as the rural transaction centres, which the Prime Minister referred to yesterday. There are 118 towns with face-to-face banking back again.

I remember the Labor Party’s attitude here. I remember former Prime Minister Keating being asked about bank closures at Ivanhoe and the arrogant and dismissive answer he gave that, basically, he did not give a damn about regional services and whether
they had their banks or not. I will tell you what: never listen to what the Labor Party say about rural services; only look at what they do. And so it is that they have used the various tools we have made available—the telecommunications funding for black spots for radio and television and so forth—and their own local initiatives to make a lot of difference for a lot of Australians.

I am asked if I am aware of alternative ways of doing this. This is a classic example of where you get this great disconnect between what the Labor Party say and what they actually do. The member for Batman, who rarely has anything much to contribute to the debate—and I really do wonder what he does do in terms of policy development—set down some principles for regional service delivery in November 2002. There were three very high-minded principles. Firstly, he said:
The structure must rise from the community. It must not be imposed from above.
That is what we have always said about regional development. Secondly, he said:
It must, wherever possible, tap into existing structures and people.
Thirdly, he said:
It must not impose a new, inaccessible layer of control.
Great principles—firm principles. There are, incidentally, I cannot help observing, a lot of Labor Party members in the seat of Kingsford Smith who would think they were exceptionally sound principles and ought to be respected by the Labor Party. If you design your programs with those sorts of principles in mind, you come up pretty much with what we have come up with. But then, of course, the member for Batman had to put it to his ALP conference, so the three principles ended up looking a bit different. The first principle was:
The structure must rise from the community. It must not be imposed from above.
The policy result from the ALP when it went to their conference was that a plan for each region would be developed by the state and federal governments and local government and locked in under a memorandum of understanding—in other words, ‘We will impose it from on top.’ The second principle: the new plan must ‘tap into existing structures and people’.

Mr Crean interjecting—

Mr ANDERSON—We hear the member for Hotham—he always interjects usefully—who says, ‘Who invented the ACCs? Who set them up?’ It is all the Labor Party’s idea and they want to take the credit for it. The member for Batman says, ‘They’re a useless waste of money and should be wound up.’ Which is it to be? What is your position? It is your great invention. You think they are terrific. You want to meet with them, but you want to wind them up because they are a waste of time.

The SPEAKER—Order! The Deputy Prime Minister will address his remarks through the chair.

Mr ANDERSON—The third principle was: there ought not to be a new ‘layer of control’. What was the policy result from their conference? It was: ‘We’ll put a Commonwealth officer out in each of those regions.’ I thought it was our job to represent the government in those regions. But, no, Labor are going to put a Commonwealth officer out there to do it—a new layer of control; Canberra’s man in each region to ensure that the locals do not get any of their own ideas about where they might take their local communities. Every regional Australian should know that Labor do not believe in partnerships for regional growth. What they can know is that the nanny state is very much
central to their thinking. It is not just going to be the reading police or the fat police—

Mr Costello—The homework police.

Mr ANDERSON—and the homework police; we now find that we are going to have regional development police. The nanny state is going to tell regional communities how to grow and develop their futures. That is not our way. The government has spent 8½ years developing a partnership approach to regional growth, which is very successful and which is deeply appreciated in the regions. I just trust that regional people are again going to have a bit of a look at where the ALP is coming from on all this stuff, because the Labor Party does not believe at all in local community solutions to local problems.

Howard Government: Advertising

Mr McMULLAN (2.47 p.m.)—My question is to the Prime Minister. I refer to the more than $100 million of current taxpayer funded government advertising. Prime Minister, is it not the case that the government plans even more taxpayer funded advertising in the second half of this year, including advertising for its higher education reforms and another $17 million for the Family and Community Services portfolio, making the total at least $123 million? Prime Minister, does this not mean that the Australian people will be bombarded with even more government advertising during prime time? Can the Prime Minister now guarantee that all these new campaigns will meet the Auditor-General’s guidelines?

Mr HOWARD—I can certainly assure the member for Fraser that they will meet the guidelines that he was pleased to support when he was last a minister. In relation to future government advertising, we will explain government policies where it is necessary. We make absolutely no apology for that. I remind the member for Fraser that the great bulk of the expenditure on government advertising is in areas that I do not think anybody could take exception to—things like Defence Force recruiting, New Apprenticeships, a national tobacco campaign, violence against women and many other campaigns which are part and parcel. The truth of the matter is that all governments—and if the opposition could pause for a moment and put down their confected indignation and rage—from time to time have advertised and explained the features of new policies. What this government is doing is no different from what has been done in the past. Those who sit opposite know that well, and they proclaim their humbug and their hypocrisy by suggesting otherwise.

Mr McMullan—What was it you promised?

The SPEAKER—The member for Fraser has asked his question.

Health: Policy

Mrs DRAPER (2.49 p.m.)—My question is addressed to the Minister for Health and Ageing. Would the minister inform the House of a new report detailing the strength of Australia’s existing health system? Is the minister aware of any proposals to radically change the Australian health system? Who is the principal author? What is the government’s response?

Mr ABBOTT—I do thank the member for Makin for her question—it is a very important question—and for her total commitment to the Medicare system, a commitment which is shared by every single member on this side of the parliament. I can inform the House that today I launched Health 2004. It is Australia’s national health report card, which is produced by the Australian Institute of Health and Welfare. It showed good news: Australia’s life expectancy is high and rising, our death rates from diseases such as cancer and heart disease are falling, our smoking
rate is falling, suicide rates are falling, the vaccination rate is rising and our health workforce is growing. This is all good news, and it testifies to the fact that our system, while not perfect, is as good as any health system in the world. With results like that, why would anyone want to mess with Medicare? Who would want to mess with Medicare? I can tell you who wants to mess with Medicare. It is the member for Lalor.

Ms Gillard—You know this is not true.

Mr ABBOTT—She is so used to the rhetoric of crisis that she has become completely blind to the strengths of our existing system.

Ms Gillard interjecting—

The SPEAKER—The member for Lalor is a persistent interjector. She has an obligation to sit and listen to what is said, just as people have an obligation to hear her. She is warned!

Mr ABBOTT—The member for Lalor’s problem is that she has become so used to the exaggerated rhetoric of crisis that she is completely blind to the strengths of our existing Medicare system, particularly those parts of the system for which the federal government has sole responsibility. When I pointed out yesterday that what the member for Lalor wants to do is to reform Medicare as we know it out of existence and replace it with something more like the UK National Health Service, she got very indignant and took a personal explanation, and she is going to take another one now. To pre-empt it, let me read from the National Press Club speech that the member for Lalor tabled yesterday.

Ms King interjecting—

The SPEAKER—The member for Ballarat is warned!

Mr ABBOTT—The member for Lalor says she does not support pooled funding. Let me read from her speech to the National Press Club. She says:

"... clearly the central idea of the Medicare Alliance—pooled funds to end cost shifting—remains as relevant today as when it was first publicly discussed in July 2000."

But in a speech to the Australian Medical Association of Tasmania just last month, she went much further. She said:

The principal characteristic of a unified national health system is that existing Commonwealth health monies—listen to this—(Medicare and PBS, payments to nursing homes, and Health Care Agreement) are combined with existing State and Territory health monies ... and the combined pool ... is then applied to the population’s health needs.

She could hardly have been more clear. What the member for Lalor wants to do is to create a $60 billion bureaucratic behemoth that would be accountable to no-one and elected by no-one. Under Labor’s brave new world of health care, the three biggest dinosaurs would be the Russian army, the Indian railways and the Australian national health commission. That is what they want to create. Let me put a very clear challenge to the member for Lalor: if she does not believe in pooled health funding, why on earth did she talk about it—and not once, not twice, but repeatedly—over the last six months; and if she does believe in pooled health funding, what on earth does she really mean?

Education: Funding

Ms MACKLIN (2.54 p.m.)—My question is to the Minister for Education, Science and Training. Is the minister aware that the massive capital upgrade at the King’s School in Sydney for a $16 million learning and leadership centre opened by the Deputy Prime Minister—of course, an old King’s boy—which includes a—

Government members interjecting—
Ms MACKLIN—Not my sons.

Government members interjecting—

The SPEAKER—Order! The member for Jagajaga has the call.

Ms MACKLIN—This learning and leadership centre includes a museum, state-of-the-art classrooms, a multimedia and IT hub and three grand pavilions. Can the minister inform the House how much of the $17 million increase this school is receiving from the Howard government funded this extraordinary facility that goes way beyond the facilities of most Australian schools? Why has the government delivered such huge increases to this school but failed to give any real capital increase to needy government and non-government schools since 1996?

Government members interjecting—

The SPEAKER—Order! Has the member for Jagajaga concluded her question?

Ms MACKLIN—Almost. Will the minister join with Labor to narrow the resources gap between schools?

Dr NELSON—I thank the member for Jagajaga for her question. Behind this question is an entire caucus of Labor members who have prompted the Deputy Leader of the Opposition to ask the question for one reason and one reason only, and that is that the Australian Labor Party is deeply resentful of parents who make enormous sacrifices to send their children—

Honourable members interjecting—

The SPEAKER—Order! The minister has the call!

Mr Ripoll interjecting—

The SPEAKER—I warn the member for Oxley!

Ms Plibersek interjecting—

The SPEAKER—I warn the member for Sydney!

Dr NELSON—to Catholic, independent and a whole range of non-government schools throughout Australia—2,652 schools. I made a decision when I took this job that I would not ever embark on the process of naming members of the House as to where they send their children to school, and I will not embarrass members of the Labor frontbench by doing that now. I will say a number of things in relation to this question. The question is intended to make the everyday Australian believe two things—

Mr Ripoll interjecting—

The SPEAKER—The member for Oxley will excuse himself from the House!

The member for Oxley then left the chamber.

Dr NELSON—The first falsehood which is inherent in the question is to make the average Australian falsely believe that those 1,320 boys at the King’s School in Sydney in some way are receiving more public money in support of their education than any child at a government school, when in fact—

Mr Brereton—That’s right!

Dr NELSON—The member for Kingsford Smith says that is right. That reflects either his ignorance or his determination to mislead the parliament. Those boys at the King’s School receive around $2,500 of public money in support of their education. Were they to go to Fairvale High School in Sydney or any public secondary school in the state of New South Wales they would receive not $2,500 but $11,710 in support of their education.

The second falsehood in the question from the Deputy Leader of the Opposition is to make Australians think that capital works money has gone from this government into assisting in the building and construction of that facility. In fact no capital works money has come from the public purse to support
the construction of that facility at the King’s School. Do you know how it was funded? It was funded—as is almost all of the capital works for Catholic, independent, low-fee or high-fee schools—by cake stalls and raffles and by the sacrifices of parents.

Honourable members interjecting—

Dr NELSON—Let the Hansard record that Labor Party members are mocking sacrifices—

Mr Leo McLeay—How much is a cake worth?

The SPEAKER—The member for Watson is warned! The minister has the call. The minister will be heard. I will deal with anyone who interrupts him.

Mr Sawford interjecting—

The SPEAKER—The member for Port Adelaide will excuse himself from the House!

The member for Port Adelaide then left the chamber.

Dr NELSON—Thank you, Mr Speaker, for requiring Labor members to cease their mocking of parental sacrifice.

The SPEAKER—The minister will respond to the question.

Dr NELSON—All Australians should understand this: every time that a non-government school embarks on a capital works program it is funded by parents—who make enormous sacrifices and do fundraising or take on a third or sometimes a fourth job—or it is funded by schools going into debt. They borrow millions of dollars to undertake capital works programs.

High-fee schools like the King’s School do not get any capital works funding from this government. The capital works money goes into the low-fee schools. In fact, this year this government—just so you know—will provide $117 per child in capital works funding for children in government state schools, $116 for each child in a Catholic school and $76 dollars per child for capital works in independent schools, and none of it at the high-fee end. I also say to Australians—and particularly Labor members—that every child who attends a non-government school in this country receives less public money in support of their education than they would if they attended a government state school. The kids from the poorest families get 30 per cent less and the kids from the wealthiest families get 87 per cent less.

By way of conclusion, I advise the House that the Independent Education Union, South Australian branch, in a letter to the Australian Education Union on 29 March this year, said:

I see the AEU’s concentration on federal government funding which is primarily applied to non-government schools and ignoring the state government funding which primarily funds government schools as a deliberate and dishonest attempt to distort the true interpretation of the data ...

The writer went on to say:

I call on the AEU—and I call on the Labor Party—to publicly acknowledge the fact that all non-government schools (especially the much maligned ‘elite’ schools) receive combined state and federal government funding at levels lower (often significantly lower) than government schools. The Labor Party wants to worry about percentages. Where is the letter that I put here last week on the 300 per cent TAFE fee increases in New South Wales? Put your signature to that and then we will start listening.

DISTINGUISHED VISITORS

The SPEAKER (3.04 p.m.)—Would members join me in warmly welcoming to the chamber this afternoon the Russian Minister for Agriculture, Mr Aleksey Gordeyev,

CHAMBER
who is accompanied by the Russian Ambassador to Australia, His Excellency Mr Moiseev.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Environment: Murray-Darling River System

Ms PANOPoulos (3.05 p.m.)—My question is addressed to the Minister for the Environment and Heritage. Would the minister inform the House of the Howard government’s plan to restore the environmental health of key sites on the Murray River? Is the minister aware of any alternative policies and if so what is his reaction?

Dr Kemp—I thank the honourable member for Indi for her question. I know how important a healthy Murray River is to all the communities in her electorate. The Howard government is committed to making the Murray River a healthy, working river. To begin that task we have committed to an agreement with the states to put some $500 million towards purchasing and acquiring—through improvements on farm and otherwise—some 500 gigalitres of water for the river in order to restore some six icon sites for the Murray. Progressing that agreement began with the Living Murray agreement. The meeting of COAG on Friday to establish final agreement, we hope, to the national water initiative will be absolutely critical to ensuring that that water can return to the Murray River and can restore environmental health to those critical icon sites. Many interests and many communities are dependent on a healthy river, and the stakes of the meeting on Friday are high. No-one wants to see the states prevaricating further and trying to put off final decisions.

I was asked by the member for Indi whether there are any alternative policies on this important issue. It would seem that Latham Labor has been making noises about a policy for the Murray River. Indeed we have seen some figures being quoted by the Labor Party, but when it comes to figures, as we know, the opposition is a master of either the fib or the fudge. When we look closely at these figures we find that there is a certain instability about them.

Mr Costello—Volatility!

Dr Kemp—Volatility—I am corrected on a technical matter—in these figures is evident in what the Labor Party have to say. The first time we heard about the slush fund it was $150 million, well short of the amount that would have been required to purchase the environmental flows the Labor Party claimed they wanted. On 27 May, about four weeks ago, the Leader of the Opposition reinforced his commitment to this $150 million river bank slush fund. Less than four weeks later we turn to the Labor Party’s web site—the most airbrushed web site in Australia—and we read on this web site that they would inject 450 gigalitres of water into the Murray in their first term of government, through their $350 million river bank fund. So $200 million has suddenly appeared on the web site but it has not been acknowledged in any press release.

Mr Howard—It was only $150 million!

Dr Kemp—It was only $150 million and now it has gone up to $350 million—another $200 million has suddenly appeared on the river bank. This is a 133 per cent increase in a month—that is a bigger increase than the rent return from Centenary House. It is the magic pudding—they have turned it around a couple of times and suddenly it has coughed up another $200 million. They say, ‘$150 million wasn’t enough, so let’s add on another $200 million, but let’s not tell anybody where this $200 million is coming from.’ With this web site you never know: is this new money, is it paid for, is it dissembling, is it a mistake, is it fibbing, is it fudging or is it
just incompetence? You cannot trust Labor on money—$10 billion worth of promises, $11 billion worth of tax cuts, money left over for an intergenerational fund, and another $200 million suddenly pops out on the Google web site. When is the Leader of the Opposition going to tell us how he is going to fund this incredible list of promises?

Health: Magnetic Resonance Imaging Machines

Mr ORGAN (3.10 p.m.)—My question is to the Minister for Health and Ageing. I refer to his announcement of 9 June that he intends to declare another 20 magnetic resonance imaging machines around the country eligible for Medicare funding. Minister, will one of those MRI machines be the one at Illawarra’s major public hospital, Wollongong Hospital? If not, why not?

Mr ABBOTT—I thank the member for Cunningham for his question. I appreciate that, like many members in this House, he is interested in where Medicare funded MRI machines might go. I can assure the member for Cunningham and other members of the House that access to MRI has increased dramatically under this government, from 18 machines back in the late 1990s to 73 Medicare funded machines today. MRI funding has gone up from $20 million a year in the late 1990s to $105 million a year now. My department has set up an advisory committee composed of the profession, the providers, the clinicians and the consumers. That committee will be looking at proposed guidelines for the appropriate placement of new Medicare funded MRI machines. Those guidelines will be announced shortly and expressions of interest will be called for shortly.

Education: National Standards

Mr HUNT (3.11 p.m.)—My question is addressed to the Minister for Education, Science and Training. Would the minister inform the House of new measures to give parents plain language report cards and meaningful information about the performance of schools? Would the minister also inform the House of initiatives to give all school children the opportunity to do physical education?

Dr NELSON—I thank the member for Flinders for his question. I admire his recent walk around his electorate—some 500 hours, I understand. The government has announced today a record sum of $31½ billion of funding and investment in schools over the next four years. For the first time, however, the government is requiring that all government and non-government schools that receive funding from the Australian government meet fundamental conditions. The government is concerned to see that there is national consistency in school education; that by 2010 we will for the first time have a common starting age in schooling throughout Australia and that there will be common testing in key areas of reading, writing, numeracy, science, ICT, civics and democracy. At the school level it is essential that information be made available to parents. The government wants to make sure schools report to parents on literacy and numeracy performance at the school level; on the average year 12 result delivered in the secondary school; on the qualifications, ongoing training and absenteeism rate of teachers, which is very important in education; and also on the attendance rates of students.

The government is also setting in the legislation a requirement that schools report to parents in plain language, in terms that they can actually understand. In the year 2000, my predecessor the member for Goldstein commissioned some research on this. Professor Peter Cuttance’s research reported that parents said:

If the child is failing, they want it said on [the report]. They don’t want some politically correct
thing on there. [Parents] want to know in black and white [how their children are achieving].

So, for example, the government will require performance in school reports to give us as parents some idea of where our kids are going compared to the rest of the class. When we get a school report that ticks a box that says ‘achieving’ or ‘almost achieving’, we think, ‘What on earth does that mean?’ When the member for Flinders is walking around his electorate, if his wife rings up the organisers and says, ‘Where is he?’ and they say, ‘He is almost achieving,’ she would say, ‘What on earth does that mean? Does that mean he is at Somerville or has he just got past Arthurs Seat?’

It also means absolutely nothing to parents, so the government is determined to use the leverage of $31 billion to drive national consistency in standards and national consistency in starting ages, and to make sure that real information about school performance is available to parents so that they can start to make meaningful judgments about where they send their children. That includes having at least two hours of exercise made available through the school on a weekly basis and ensuring that values in education inform everything that is delivered in every school in the country.

**Wentworth Electorate: Electronic Communications**

**Mrs Crosio** (3.15 p.m.)—I address my question without notice to the Prime Minister. Did the Prime Minister’s office receive complaints from the member for Wentworth about interference with electronic communication with his constituents by the endorsed Liberal candidate for Wentworth? Did the Prime Minister’s office issue a caution to the endorsed Liberal candidate for Wentworth concerning this matter?

**Mr Howard**—In reply to the member for Prospect, my office and I, myself, as is not surprising, have numerous conversations with numerous people about numerous subjects. I can report that, as always, there is a great sense of amity and common purpose amongst my colleagues.

**Workplace Relations: Industrial Action**

**Mr Billson** (3.16 p.m.)—My question is to the Minister for Employment and Workplace Relations. Would the minister update the House on the latest figures on industrial disputes? Have the government reforms reduced the number of disputes? Is the minister aware of any proposals that could damage these important achievements?

**Mr Andrews**—I thank the member for Dunkley for his question and for the continued and persistent advocacy for small business in his electorate. I can report to members in the House that the levels of industrial disputes in Australia are still at historic lows. Indeed, in the March 2004 quarter there were 9.3 working days lost per 1,000 employees. This compares with the dark days of industrial disputation under the Labor Party, when the level reached 104.6 working days lost per 1,000 employees. That is 9.3 in the March quarter of this year under the coalition government, compared to a height of 104.6 under the previous Labor administration—11 times the number of industrial disputes under the Labor Party compared to the level that it is in the March quarter of this year. There are still some concerns, particularly in relation to Western Australia and Victoria, areas in which mayhem in the construction industry in particular has led to increased disputation—something which this government is determined to fix.

However, what these figures reveal, once again, is that the reform of the workplace relations system in Australia has meant that Australian workers not only are receiving higher wages but have more jobs and work in conditions of less industrial disputation.
than they did in the past. This is because of reforms which this government has put in place to enhance the relationship between employers and employees in being able to deal directly with each other. For example, something which the member for Dunkley has been a great promoter of is the offering of Australian workplace agreements, which have given choice and flexibility to both employers and employees. We are nearing the mark where half a million Australian workplace agreements will have been entered into since they were introduced under this government.

I am asked about whether there are any dangers to these achievements, and there clearly are. They come from the proposals which are being advocated on behalf of the Australian Labor Party by the member for Werriwa. What we have here is an antibusiness plan from the Australian Labor Party. We heard questions earlier in question time from the member for Werriwa about small business. Let me tell you what the Labor Party have planned in part for small business and what they will do in terms of industrial disputation. For example, the Australian Labor Party wish to remove the secondary boycott provisions from the Trade Practices Act so that the industry-wide wildcat strikes that were commonplace under the previous Labor Party would become a feature again of the workplace scenario in Australia. The Australian Labor Party, under the member for Werriwa, want to abolish the Australian workplace agreements—almost 500,000—which have been entered into between employees and employers. The Australian Labor Party, under the Leader of the Opposition, wish to increase the power of the Australian Industrial Relations Commission, which would lead to more industrial disputation, which would have an adverse impact upon small business. On top of that, we have these crazy proposals from the Australian Labor Party to give union bosses and their representatives the power to walk into every business in Australia, whether or not those businesses happen to employ union members.

There is a clear distinction, so far as Australian workplaces are concerned, both on the historical record in terms of industrial disputation and in the way in which the coalition wishes to go forward with more choice and flexibility in the workplace, compared with the Australian Labor Party, whose regressive plans to massively reregulate the workplace in Australia would increase industrial disputation, cost jobs and hurt ordinary Australians.

Mr Howard—Mr Speaker, I ask that further questions be placed on the Notice Paper.

PERSONAL EXPLANATIONS

Mr GAVAN O’CONNOR (Corio) (3.21 p.m.)—Mr Speaker, I seek leave to make a personal explanation.

The SPEAKER—I will recognise the member for Corio, but I should indicate to the member for Sturt that, while questions to the Speaker would normally have priority, I will allow personal explanations and then come to the member for Sturt.

Mr GAVAN O’CONNOR—I seek leave to make a personal explanation.

The SPEAKER—Does the member for Corio claim to have been misrepresented?

Mr GAVAN O’CONNOR—Yes, I do.

The SPEAKER—The member for Corio may proceed.

Mr GAVAN O’CONNOR—Today in question time, the Minister for Trade said that I had declared my support for the FTA this morning in a speech to the NFF conference. I did not. In my speech I canvassed the trade impacts of this agreement on Australia’s quarantine system.
Ms GILLARD (Lalor) (3.22 p.m.)—Mr Speaker, I seek leave under standing order 64 to make a personal explanation.

The SPEAKER—Does the member for Lalor claim to have been misrepresented?

Ms GILLARD—Yes, I do.

The SPEAKER—The member for Lalor may proceed.

Ms GILLARD—In question time today the Minister for Health and Ageing repeated the untrue comments he made in question time yesterday and in a speech at CEDA last Friday. Specifically, the minister asserted that I believed in introducing a UK national health service, creating a new bureaucracy to hold all health funds and abolishing Medicare. Each of these allegations is completely untrue, and the minister for health knows this. The minister for health challenged me for an explanation of pooled funding. An example of pooled funds is what the Commonwealth does with the states under Australian health care agreements. If the minister has a secret plan to withdraw all Commonwealth funding from hospitals, he should disclose it to the Australian people before the election.

Mr LATHAM (Werriwa—Leader of the Opposition) (3.23 p.m.)—Mr Speaker, I seek to make a personal explanation.

The SPEAKER—Please proceed.

Mr LATHAM—In question time the Prime Minister described me as ‘dishonest, devious and slimy’—

Honourable members interjecting—

Mr LATHAM—I think ‘slimy’ was the term—for asking him why he said in question time yesterday that he was opposed to the ban because of a loss of revenue to the corporate sector. This is, in fact, what the Prime Minister said in question time yesterday:

It is something that the government opposes and will continue to oppose. This, of course, does not in any way address the impact, once you start banning things, that the loss of revenue would have on the very—

The SPEAKER—The Leader of the Opposition will resume his seat.

Mr Abbott—Mr Speaker, I rise on a point of order.

The SPEAKER—I am obviously happy to recognise the Minister for Health and Ageing and Leader of the House, but I should pre-empt his remarks by saying that the Leader of the Opposition must indicate where he has been misrepresented. He did that initially in his opening sentence or so. I am now having trouble following that, and I believe that may be the issue being raised by the Leader of the House.

Mr Abbott—Indeed. In purporting to make a personal explanation, he has verbally the Prime Minister yet again.

The SPEAKER—The Leader of the House will resume his seat!

Mr LATHAM—The Prime Minister accused me of being dishonest for paraphrasing him inaccurately, according to what he said in question time yesterday.

The SPEAKER—I was listening and I had not intervened.

Mr LATHAM—I am now quoting the Prime Minister—

The SPEAKER—Yes.

Mr LATHAM—to demonstrate the accuracy of my question. I am quoting the Prime Minister, word for word, to demonstrate the accuracy of my question.

The SPEAKER—The Leader of the Opposition may proceed.

Mr LATHAM—Thank you, Mr Speaker. The Prime Minister was saying that the government opposes the ban, and he was talking of the loss of revenue that would be had ‘on
the very effective and high-quality free-to-air television system that we have in this country. My question stands as absolutely accurate.

QUESTIONS TO THE SPEAKER
Liverpool Council

Mr PYNE (3.25 p.m.)—Mr Speaker, I have a question—

Mr Randall interjecting—

Mr Schultz interjecting—

The SPEAKER—The member for Sturt will resume his seat! Do the member for Canning and the member for Hume believe that they ought to be denying the member for Sturt the call?

Mr Randall—Never!

The SPEAKER—The member for Sturt has the call.

Mr PYNE—Mr Speaker, my question is to you and it is in your capacity as the officer of the chamber who is responsible for maintaining the standards of the House. The Leader of the Opposition on 1 June made two quite specific claims in the adjournment debate: firstly, that he had reduced the number of staff at Liverpool Council and, secondly, that he had left the Liverpool Council in a surplus budgetary position. Piers Akkerman in the *Daily Telegraph* today refuted specifically those claims of the Leader of the Opposition. My question to you, Mr Speaker, is: will you be prepared to review the *Hansard* and, if you believe that prima facie—

Ms Roxon interjecting—

The SPEAKER—The member for Gellibrand is warned!

Mr PYNE—the Leader of the Opposition has made false statements in the House with respect to his time at the Liverpool Council, will you require him to come into the House and correct the record?

The SPEAKER—Let me state for the benefit of members what should be apparent to all members. This is a parliament of free speech. Members are at liberty to raise whatever they believe is appropriate. The chair does not intervene, except when someone steps outside of the standards normally enforced by Speakers in the past. If I were to take up the matter raised by the member for Sturt, personal explanations would effectively become meaningless. If people are misrepresented in some way, they have the opportunity through a personal explanation to indicate where they have been misrepresented. The obligation on each of us—and we are ultimately answerable to an electorate—is to ensure that we believe that what we are saying can in fact be defended. I will not take up the issue raised by the member for Sturt.

Wentworth Electorate: Electronic Communications

Mr McMULLAN (3.28 p.m.)—Mr Speaker, I have a question to you which is within the standing orders. Yesterday the member for Wentworth raised a very serious issue which, if accurate—and I do not challenge its accuracy; I just cannot confirm its accuracy—raises a potentially serious question of privilege and a new area in which privilege might need to be examined. I know he said that, because the Prime Minister had intervened and the matter was no longer occurring, he did not wish to see it referred as a matter of privilege, but the fact that a breach of privilege has ceased does not make it any less a significant breach of privilege. I ask that you give serious consideration to referring that matter to the Privileges Committee on the grounds that this is, firstly, potentially a serious breach of privilege—and, according to the member for Wentworth, he has been so advised by the Clerk, who is very authoritative in these matters—and, secondly, if it is a breach of privilege, it is a new
area of breach of privilege in this electronic age and requires proper review by the appropriate committee.

The SPEAKER—Last week the member for Wentworth came to express his concerns to me. I indicated to him that, if he chose to raise the matter as a matter of privilege, I would consider whether or not it should have reference to the Privileges Committee. At this point in time, the matter has not been raised with me for reference to the Privileges Committee.

Mr McMULLAN—With respect, I am now raising it with you for that reason. I understand that the member for Wentworth did not and I do not criticise him for that—I understand probably why he did that. But it is in the interests of all members that privilege is upheld, particularly when this new and insidious form of breach of privilege appears to be emerging. I am asking you in your capacity as Speaker to take the initiative and refer the matter.

The SPEAKER—Let me reassure the member for Fraser that I have not been, as I am sure or trust he would attest, dismissive of this issue but, if a matter of privilege is to be raised, it ought to be raised by the person who believes their performance as a parliamentarian has been influenced in some way by whatever the matter of privilege is and not by a third party.

AUDITOR-GENERAL’S REPORTS

Report No. 54 of 2003-04

The SPEAKER—I present the Auditor-General’s audit report No. 54 of 2003-04 entitled Management of the detention centre contracts—Part A—Department of Immigration and Multicultural and Indigenous Affairs.

Ordered that the report be printed.

PAPERS

Mr ABBOTT (Warringah—Leader of the House) (3.30 p.m.)—Papers are tabled as listed in the schedule circulated to honourable members. Details of the papers will be recorded in the Votes and Proceedings and I move:

That the House take note of the following papers:

United Nations—Optional Protocol to the International Covenant on Civil and Political Rights—Communications—
No. 1080/2002—Views.
No. 1239/2004—Decision.

Debate (on motion by Ms Gillard) adjourned.

MATTERS OF PUBLIC IMPORTANCE

Education: Schools Funding

The SPEAKER—I have received a letter from the honourable the Deputy Leader of the Opposition proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The need for a fairer schools funding system that funds all schools on the basis of need.

I call upon those members who approve of the proposed discussion to rise in their places.

More than the number of members required by the standing orders having risen in their places—

Ms MACKLIN (Jagajaga) (3.31 p.m.)—There is no question that every single student in Australia is entitled to go to a properly resourced school and every teacher deserves to teach at one. That is exactly the policy that Labor will be putting to the Australian people at the forthcoming election. We want to see every single school in this country striving for an excellent standard of education and that excellent standard of education supported by an outstanding level of resources.
We want the quality of learning to be excellent for the many—for the vast majority of Australians—not just for the few.

These are the principles that Labor will proudly present to the Australian people when the election is called. These are the principles that we will fight this government’s unfair schools funding system on. Our policy is in very stark contrast to the government’s extremely inequitable and, I would have to say, divisive funding model. It is a very divisive funding model that reveals this government’s extraordinary obsession with the elite few. Today the government released its agenda for schools. It finally brought forward the legislation. I understand that it is going to be introduced tomorrow. Not one of you would be surprised to know that the title bears no resemblance to the government’s policy.

Mr Gavan O’Connor—Slippery again!

Ms MACKLIN—Yes, slippery and slimy again! The title says, Learning together: achievement through choice and opportunity. It is, I would have to say, a very strange title because we know that there is not very much opportunity for the vast majority of Australian children who attend government schools and also the very large number of children who attend very needy non-government schools.

This government, as we have just heard from the Minister for Education, Science and Training at lunchtime, is more concerned about the condition of the flagpoles at our schools than the resources available to the children in our classrooms. This minister is just trying to make a mockery of this very important issue. There is no question that we are all patriotic Australians. How many of us have been to schools where the flag is flying proudly and they sing the national anthem proudly? As I have said in here on another occasion, one of the most special events that I have been to in one of my primary schools was when the deaf children in a choir signed the national anthem. There is no question about the patriotism in our schools. But what this minister gets so wrong is the need for decent classrooms and the need for teachers to get the support from the Commonwealth that they so urgently need.

One thing that surprises me about this government is that it wants to see the Australian flag flying in each and every one of our schools. One of the great things about the Australian flag is that it represents one of our fundamental Australian values—the value of fairness. It is this value of fairness that is so completely lacking in this government’s school funding system. It is just not fair to give wealthy schools like the King’s School in Sydney massive funding increases while the neighbourhood government school—the school down the street that most children go to—and the Catholic parish school receive barely enough to cover costs. That is not a fair funding system.

In government Labor will change all of this. We will make sure that every child goes to a school where the resources that they need will be delivered so that those children can in fact succeed in the modern world. In government Labor will introduce a needs based funding system. We will have new legislation introduced into the parliament and our first budget will contain additional funding for government schools. We will not be doing what this minister’s legislation does, which is to provide only enough money for government schools to cover costs. That is what this government’s legislation does.

What Labor will do is make sure that our government schools get increased funding so that they can meet the resources that children in the 21st century need. We do want to make sure that we move beyond what this government sees as pretty simplistic argu-
ments between public and private. We want to get past all of that and go to the whole question of need. We want to fund all schools—public, private and Catholic—on the basis of need.

Our national schools resource standard is at the centre of our policy. It is a first for education policy, because Labor intends to set a resource bar in the future and fund schools to meet that resource bar. We want to lift schools up so that they have the resources available to meet that national standard. We will have a national schools resource standard to drive needs based funding in each and every one of our schools so that we are delivering a great standard of education. In practice, this means that the vast majority of schools—government schools, Catholic schools and poorer non-government schools—will benefit from Labor’s policy. It is only fair that schools in the greatest need will get the biggest funding increases from Labor. That is the Labor policy. But, of course, that is not what we will see from this minister in the legislation that will be presented to the parliament tomorrow. The biggest funding increases from this minister have been to schools which are the wealthiest in Australia—the King’s School and Trinity Grammar, and so the list goes on.

We have announced a number of other very important parts to our education policy. A Labor government will not reduce total funding for the non-government school sector, but will reallocate funding within the non-government sector on the basis of need. So we will not reduce the total funding pool for the non-government sector but we will reduce funding for the very high-fee, wealthy schools that can afford to spend $16 million on a new learning centre that has three grand pavilions—goodness knows what they do in those! We will be reducing funding to the King’s School and schools like that and increasing funding for needy non-government schools. Our national resource standard means that schools will be assessed individually and given the support they need.

Other very important parts of our policy include our intention to negotiate a national schools agreement with state and territory governments and non-government school authorities to deliver this needs based funding. Of course, there is no attempt at something like this by this government. They just go out there, announce what they are going to do and pay no regard to what the states and the non-government school authorities are doing. It is extremely important that we make these changes in a cooperative way. We have made it very clear that we intend to provide incentives so that we get the best teachers and school leaders into our struggling schools. We do not want our best teachers to be cherry picked and taken by wealthy schools that can pay them so much more. We want those best teachers in the places where they can really deliver for the children who are struggling.

We have announced that we will pay TAFE fees for secondary school students. Is there anything practical like that in the policy that the minister, along with the Prime Minister, has announced today? Yes, we should have a functioning flagpole in each and every one of our schools—there is no question about that. But let us get a little more practical and make sure that each and every one of our secondary school children who want to do a TAFE course can afford to do so. Pay the fees like Labor is foreshadowing it will do. We said that we will have additional training mentors in our schools to make sure that young people either stay at school or move into a full-time job or further training. We know that there are problems in some of our schools. The minister sits on the sidelines, throwing pot shots at the schools on a regular basis, as did the Prime Minister at the start of this year. The Prime Minister
said that our public schools are value free. The leader of this country, the Prime Minister of Australia, goes out and says that our public schools—the schools that the vast majority of Australian children go to—are value free. That is just not true.

I have just had an email from the Montmorency South Primary School in my electorate. All of the teachers there have gone to a professional development program, which was all about values, social competencies, thinking curriculum and learning communities. It is one of our terrific little primary schools in the suburbs doing a fantastic job for the children in that community. It does not appreciate the sorts of remarks that the Prime Minister has made, which do nothing to help it provide a better education for its children. All he has done is seek to undermine it.

We have a national action plan to get more male teachers into our schools. We want to get more fathers, uncles and grandads helping out with sport and serving as male role models. We have also made it clear that we will have a program called Bright Futures. We want to see more young people, especially those from disadvantaged backgrounds, going on to TAFE or university, and we will encourage them to do exactly that.

We have announced today that we will pass the government’s school funding legislation so that all schools—government and non-government—have funding certainty for 2005. We think it is very important to make that commitment here today in the parliament so that all of those schools know that, whatever happens at the election, they will have that funding certainty. We have also announced that, if Labor wins the election, 2005 will be a transition year for schools to prepare for Labor’s needs based funding policy. We intend to put in a new piece of legislation that presents a fair system of funding schools—not an unfair system, like the one this minister is responsible for. We will fund schools on the basis of need. We will make sure that all non-government schools, no matter what they are, receive a basic level of support. We think that is an important commitment to make. Above that, all of the funding will be on the basis of need. Schools can be assured that we will pass this legislation and that they will have funding certainty, but from 2006 Labor will introduce a needs based funding system for our schools that will mean that we have a much fairer system—a system that delivers on the basis of need.

The minister has made much of the need to have better reporting to parents. As a parent, I think it is very important that we get proper reports so that we know how our children are going, and if they are not going too well we do need to know what sort of help we can give at home and what other help the school might be prepared to deliver. Of course, this has two sides to it. It is not a one-sided equation. This minister says that you have to make sure that schools are reporting properly to parents—there is no question about that. But accountability goes both ways: we also expect that governments will provide the resources that schools need so that those schools can deliver a high standard of education. Are we getting this equation right with this minister? Of course not.

What we have is the minister saying to the schools, ‘You have to report on how each and every one of the children is going’—that is fine; that definitely should be done. But what this minister is not prepared to do is increase the funding available to the vast majority of schools where most children go—our government schools. We need to make sure that funding is delivered on the basis of need so that those schools where children are struggling see an increase in resources. Yes, they should report to the par-
ents and tell them where the problems are, but do not just sit back and throw pot shots at the schools when they do not do too well. Make sure that those schools get the best teachers. Make sure that those schools get the resources they need. Make sure that those schools get the increase in capital. Those schools are not going to be able to raise $17 million from a cake stall. If anyone believes that the King’s School raised $17 million from a cake stall they need to have their head read. Maybe it is only the minister that believes that. There is not a government school, a needy Catholic school or a needy Christian school that can do that. It is only a Labor government that will—(Time expired.)

Dr NELSON (Bradfield—Minister for Education, Science and Training) (3.47 p.m.)—Firstly, I am advised that the particular building at the King’s School to which the member for Jagajaga refers was built at a cost of $6 million, not $17 million. Secondly—and this would be fairly apparent to even the most disinterested observer—if we do not have a needs based system now the question is this: why did the Australian Labor Party vote for the system we have now and why has it just announced that it is going to vote for the same system again, albeit with refinements? If anyone can work out the consistency in that then I would like to be informed of it.

Before I deal with the more substantive issues, I note that the Deputy Leader of the Opposition also talked about TAFE fees. There are 200,000 Australian children in secondary schools who are doing Vocational Education and Training in Schools. Six per cent of them are currently doing it at TAFE. In most cases it is paid for by the school and/or the state government. In some cases it is paid for by the student. But if the Australian Labor Party is so concerned—as I certainly am—about the level of TAFE fees, why have we not heard a single word of opposition raised from the Leader of the Opposition or the Deputy Leader of the Opposition in response to increases in TAFE fees in New South Wales of an average of 95 per cent—

Mr Bevis—What is the dollar amount?

Dr NELSON—and up to 300 per cent—

The DEPUTY SPEAKER (Hon. I.R. Causley)—The member for Brisbane might want to speak in a minute. I remind him of standing order 55.

Dr NELSON—and by 50 per cent for apprentices in South Australia and 25 per cent across the state of Victoria, where TAFE fees have to be paid completely up front. The member for Brisbane asks what the dollar amount is: I could well say that in relation to increases to so-called high-fee schools—what is the dollar amount?

Mr Bevis—I’ll give it to you shortly. I’ve got it here.

The DEPUTY SPEAKER—The member for Brisbane might not have that opportunity if he does not abide by the standing orders.

Dr NELSON—The dollar amount is in fact not as considerable as the members opposite might want people to think. There are a number of issues here. The first is that in relation to school funding in Australia state government schools are called state schools because they are administered, run, managed, owned and primarily funded by state governments. Since the divisive state aid debate which began in the early sixties and culminated with reforms under the Whitlam government in the early seventies, the Australian government, under successive Labor and coalition governments, has provided most of the public money which supports the parents of the now 1.1 million students in Catholic and independent schools throughout Australia. In fact, no less an authority than
his Eminence Cardinal George Pell said on 29 February 2003, in Sydney:

The bulk of government funding for Catholic schools comes from the Federal government, although state governments also make a significant contribution. For government schools the opposite is the case, with the bulk of funding coming from state governments. Recognising the importance of parental choice in education means that we all need to work for the best possible government and non-government schools, all well-resourced, especially in areas which are socially and economically disadvantaged.

That is the leader of the Catholic Church in Australia, Cardinal George Pell, a person for whom I certainly have a very high personal regard. The fact is that what the Labor Party—all of the state and territory governments currently Labor throughout the country and the federal opposition—is seeking to do is make Australians believe that the failings of the state and territory governments in relation to the schools for which they are primarily responsible should in some way be shifted onto the federal government.

In relation to the facts, there are 2.2 million children currently in government state schools throughout Australia. Last year, they received $20 billion in public funding to support their education. Two and a half billion dollars of it came from the Australian government and $17.5 billion came from state and territory governments, with state and territory governments having primary responsibility for those schools.

About half that number of students—1.1 million—attend Catholic and independent schools. A normal person would say, ‘They must have got half the money,’ because most people work on the assumption that all kids, no matter where they go, get basically the same amount of public funds for their education. If you were to apply that, you would say that the 1.1 million children in Catholic and independent schools—about half the number of children in the government system—must have got $10 billion. In fact, they did not. They did not get $9 billion or $8 billion; they got $6.2 billion in public funding. Parents paid another $4 billion in fees, making enormous sacrifices—whether in low-fee or high-fee schools—to get those kids to those schools.

The fact is that, across Australia, 68 per cent of kids attend government state schools and receive not 68 per cent but 76 per cent of the public money. The 32 per cent in the Catholic and independent schools receive 24 per cent of the public money. As Cardinal Pell and many others have said, you need to add the state to the federal. For example, Mr Deputy Speaker Causley, when have you heard me criticising state governments for giving 92 per cent of their school money to 68 per cent of the kids? You will not, because I do not do it. If I did, I would be presenting only half the story. Someone would come back and say, ‘Hang on—yes—but the federal government is actually giving most of its school money to the non-government system.’

When you add the state to the federal, you come up with a funding level where every single child in a Catholic or independent school in this country is receiving less public money in support of their education. Under the system which Labor has voted for once and, I understand, will now vote for again the kids from the poorest families get the most public money—they get 70 per cent of what it would cost to educate them in a government state school—and the kids from the wealthiest families get 13 per cent of what it would cost to educate them in a government state school. Every child gets something in support of their education, and kids get less according to the circumstances of the families from which they come. It is interesting. The member for Jagajaga made a statement in her contribution. She said, ‘Schools in
greatest need get the biggest funding increase.' That is exactly what happens.

Ms Macklin—I did not say that.

Dr NELSON—If I have misrepresented the member for Jagajaga, I apologise. But that is the fact: the schools in greatest need get the greatest funding increase. In fact, over the next four years under this legislation, the 100 schools getting the greatest increase include 23 special schools for kids with serious physical and intellectual disabilities and 73 schools with an average socioeconomic status score of 83. The schools in the poorest communities have scores of about 80 or less. The schools in the wealthiest have scores of 130. In those 100 schools, each child by the end of the next four years will get an average increase of $1,484. If you go to the 100 schools getting the lowest increase per child over the four years, they have an average socioeconomic status score of 121 and will receive a $480 per child increase. The poorest schools are getting an increase of almost $1,500 per child per year in the fourth out year, and the schools getting the lowest increase will get $480. It is interesting that on this theme the Canberra Times—and I do not often quote the Canberra Times—in its ‘Fair funding for all schools’ editorial on 3 March this year said:

... those who want more resources for government schools act as though state-government funding were not the basic source of government-school funds or that the Commonwealth is systematically starving their sector. The suitability of the Commonwealth as whipping boy is also assisted, as it is in the public-hospitals debate, by the fact that the growth of state-government funding for schools has not matched the growth of Commonwealth assistance, although the states have been enjoying a revenue bonanza in recent times. The states, in short, are diverting money which ought to go into ... education into other projects, hopeful that the public will blame the Commonwealth for lower standards or outcomes if they perceive it.

Mr Billson—that is right.

Dr NELSON—I could not have said it better. In relation to facts, since the government has been in office—and whilst the Australian government is the minority funder of state schools, as I have explained—it has increased its funding to government state schools by 68 per cent while enrolments have increased by 1½ per cent. This year alone, this government has increased its funding to government state schools by 5.4 per cent, even though enrolments are forecast to grow by only 0.2 per cent. So there is a 5.4 per cent across-the-board increase from this government.

The South Australian government increased its funding to schools in its budget this year by 1.4 per cent. The inflation rate is running at two to three per cent. The cost of getting school doors open is running at 5½ to seven per cent. What that means is that, if the South Australian government had increased its funding to the same level as the Australian government, there would have been $74 million this year alone to educate children in government state schools in South Australia. Similarly this government increases its funding by 4½ per cent to Queensland government schools. The Queensland state government increase their funding by 3.9 per cent and say to unions, ‘Don’t complain to us, the Queensland government, despite the fact that we have a $2.4 billion surplus’—a surplus which is thanks to a GST that this government has delivered to them—and then say, ‘If you’re worried about Queensland state schools, go to Canberra.’

The real thing here, though, is that the Australian Labor Party has made it quite clear—and we have heard it again today—that what it intends to do is reduce funding to so-called high-fee schools. If you use the old funding system, where there were 59 so-called category 1 schools—the so-called high-fee schools—and you took every last dollar away from those schools so they did
not get a single dollar in public subsidy, that would deliver $93 per child to every child per year in the rest of the non-government sector and $45 for each child in the government system. In other words, they are 1.7 per cent of all kids in the education sector and they get 0.4 per cent of all the public funding.

The Labor Party said—the member for Jagajaga herself said this on 26 March—that the No. 1 issue is fees. Then, when asked if it was just a handful of schools, the member for Jagajaga said: ‘No, it is more than a handful. If you go to Melbourne and Sydney, there’s lots of them.’ In fact, the Australian Financial Review has reported accurately in nominating schools of so-called high fees. We have the Bunbury Cathedral Grammar School in Western Australia. It charges $9,200 a year in fees. Logically, that means that at least every non-government school in this country that charges $9,200 a year or more in fees will have its funding cut under a Labor government. In other words, the more sacrifices you make as a parent to educate your children, the less public assistance you get.

What might schools do in response to a policy like that? They might cut their fees so that they can get more public funding. For example, in Melbourne, as I said yesterday, there is the Mount Scopus Memorial College in the electorate of Melbourne Ports, in St Kilda East, including Gandel Besen House. The 255 students there will have their money cut. Another example is Ivanhoe Girls Grammar School in the member for Jagajaga’s electorate. There are nearly 1,000 students at that school. I would like to see the member for Jagajaga and the Leader of the Opposition stand up in front of that school assembly and in front of those parents and explain to them why the sacrifices they have made for their children are considered to be of so little value to the Australian Labor Party that their funding will be cut by a Labor government. Then I would like the member for Jagajaga and the Leader of the Opposition to meet those students who will be forced to leave that school because their parents will be at breaking point financially and explain to them why this is in the interests of fairness. Then I would like them to explain to the Australian taxpayer why, those kids having left Ivanhoe Girls Grammar School and having gone back into the state system, the taxpayer will have to pay 4½ times more per child to educate them. Where is the logic in that?

What is driving this is envy and resentment. When I was growing up, my parents would probably never have been able to send me to Geelong Grammar School, Xavier College or the King’s School in Sydney. But I can sure as hell tell you that my parents wanted to live in a country where, if they had four or five jobs, drove a 20-year-old car, lived in a rented house, never paid into superannuation and never had a holiday, they thought they might just be able to do it. What the Labor Party fails to understand is that in many families the entire second income goes to paying fees to send those kids to those schools. The Labor Party has to focus on what it is that parents are looking for in schooling that they are bypassing often very good public schools. It is time we had more facts injected into this debate and less appealing to people’s base instincts, of envy and resentment. (Time expired)

Mr BEVIS (Brisbane) (4.02 p.m.)—When you listen to the Minister for Education, Science and Training in debates of this kind, you get the impression that this is a debate harking back to the 1960s or 1970s. The speech he just gave is characteristic of that: doing his best on behalf of the Liberal government to drive a wedge into public opinion in the hope that they can somehow resurrect a state aid debate that has long
since been resolved in this country. This is not a debate about funding for public or private schools; this is a debate about funding for the needy or not needy. It is about whether or not funds should be allocated to schools in accordance with a fair, transparent, publicly understood process of need. It is about whether or not we should follow a course of action that this government set in train a few years ago that provides funds to those who already, by any definition—indeed, by their own definition—are elite. That is a debate that was resolved within the education community more than 30 years ago. This divisive and disruptive government—in so many ways, not just in education—are seeking to reopen that debate and all of the consequent arguments and divisions that it brings with it.

Let us have a look at what their policy actually means. Let us have a look at what they delivered in the last three years, the 2001-04 period, and look at some of the examples. The minister mentioned schools like Scotch College. Scotch College is a well-heeled school. In the last three years it has picked up an extra $3.3 million under this government’s funding. At the start of that triennium, in 2001, there was some $9 million in the Scotch College Foundation. I do not know too many schools in my electorate that could lay claim to having $900,000, let alone $9 million. In fact, not too many could claim to have $9,000 in the school fund. But Scotch College had $9 million in its school fund in 2001 and was seen by this government to be in need of further assistance. It has picked up $3 million plus in the last few years.

But it is not the only one. There are a couple of other examples worth mentioning. Wesley College boasts that every child has a notebook computer from year 5 on. I think that is a wonderful thing. I wish schools in my electorate could boast a notebook computer for every child from year 5 on. But I do not know why this government needed to give it an extra $10 million, which is what it did in the last three years. Another example is the Treasurer’s old alma mater, Carey Baptist Grammar School. They boast sporting grounds which they say are amongst the best anywhere in the country. They picked up an extra $4.4 million in the last few years. Against that background, every member of this parliament knows that school after school in our electorates is crying out for additional funds and cannot get them. This minister has the gall to hop up in parliament question time and refer to these schools as having raised these moneys through lambington drives and cake stalls.

One of the examples that was mentioned was the King’s School. I am glad that King’s was mentioned, because it is one of my favourite topics when this debate comes up. The King’s School does all right out of this government’s policy, as do a number of other very wealthy, well-heeled schools. In 2004 King’s picked up $2 million more than it got in 2001. Let us look at what the King’s School has to offer to its prospective students. It boasts amongst other things some 120 hectares of rolling hills, open woodlands and bushland, 15 cricket fields, 12 tennis courts, 13 rugby fields, three soccer fields, an indoor rifle range and two climbing walls. It has an indoor gymnasium and a 50-metre pool. It has a boatshed, its own cross-country field and a museum with a full-time archivist. But it needed taxpayers’ money—an extra $2 million—because its cake stall clearly was not raising enough. They do not have to worry too much about the cake stall at King’s, because if you go to their web site they will tell you that their old boy network does pretty well.

In 1997, an interesting year—that is, the first year of operation of Howard’s policies—they established an annual giving appeal. I like that name. And the old boys have
managed to give quite well because, in the seven years since that was set up, they have managed to give some $700,000. That is an average of $100,000 a year—a pretty decent cake stall, if you ask me. There is $100,000 a year coming in from the old boy network under the donation system set up in 1997 and this minister wants to tell us that we should not be saying that, instead of handing money to those schools—schools like King’s—the funding should be rearranged to go to schools in need, whether they are private or public, government or non-government, Catholic or independent. Irrespective of which system they are in, they should be assessed against a fair, publicly identifiable standard and we should allocate the funds to help the kids, teachers and parents in those schools that need the money. And let me tell you that King’s is not one of them.

I must share this with the parliament—I was taken by a page on the King’s School web site. In a discussion of their school they say:

The School has provided education to princes and entertained the Royal Family on several occasions. The Royal family of Thailand also sent their Crown Prince to King’s in 1970, and the elected King of Malaysia sent his three sons in 1965. The temptation might be to see King’s as exclusive and privileged...

I do not know where they would get that idea from! Why on earth would anyone think that they are exclusive and privileged? It might be because they market themselves as an exclusive and privileged school but, leaving that aside, I cannot understand why anyone would hold that view! They are a school in need, according to the minister. They are a school that needed not just the money they were getting in 2001 but also an extra $2 million in 2004 over and above what they were getting in 2001.

I think I know where the cake stall money went, and I can help the minister with that. The King’s School web site refers to:

The white picket fences of its main oval, the carved sandstone of its neo-gothic chapel serve as a gracious introduction to a school ...

I imagine the cleaning involved with that and all the whitewash for the picket fence probably take a bit out of you. Maybe that is where the cake stall money that the minister spoke about went. Maybe the lamington drive funded the whitewash. What a load of nonsense!

Mr Gavan O’Connor interjecting—

The DEPUTY SPEAKER (Hon. I.R. Causley)—The member for Corio will be warned if he is not careful.

Mr BEVIS—While we are talking about people in need, the minister and this government have given King’s an extra $2 million over and above what they were getting in 2001, and they propose under the new plan to give them even more. At this school, they have fees for their kindergarten year of $8,500. But they do note that you get some stationery with that in kindergarten, so I am pleased that people are getting value out of that. When you get into the secondary school, in year 12 there is a $16,800 fee. Anyone who seriously believes that taxpayers’ funds should be allocated away from our local schools in need to places like King’s needs to go out to the shopping centres and talk to real people.

The trouble with this government is that they talk among themselves. One of the reasons the minister did not want to say why he does not enter into the debate about which schools his cabinet colleagues have been to is that he knows which schools people have been to. He knows which schools his colleagues on the front bench have been to. Do you know what, Mr Deputy Speaker? More than half of the cabinet went to those elite
schools. Indeed, a number of them went to Scotch College. The Deputy Prime Minister went to King’s. The old boy network is alive and well in the cabinet room. The list is available, Minister. I am sure you have it; I am sure you know the list in detail. The reason the minister does not want to talk about where people went to school is that he knows that the people he sits beside on the front bench went to those very schools—the majority of the cabinet. By my count, there are at least 11 in the ministry who went to elite schools by any definition. That is a cosy little club. If they want to look after themselves that is fine, but if they want to do it at the expense of ordinary Australians trying to get a decent education for their children then they will have a fight on their hands.

The Labor Party have properly put before the people—and will again before the election—a clear policy that provides an alternative in this area. You can continue the largesse that this government have undertaken to look after their mates or you can put a transparent system in place that is fair and based on equity and need. It makes no difference whether the schools are public, private, Catholic, non-Catholic, independent or government: if the need is there, the government have a responsibility to fund it, and the Commonwealth should be in there first and foremost to make sure that opportunity is there. Nothing provides a step up the ladder and nothing unlocks the future more for ordinary people than access to quality education. One thing is clear in this debate: only the Labor Party are going to provide that opportunity.

Mr NEVILLE (Hinkler) (4.12 p.m.)—I would like to start where the last speaker, the member for Brisbane, finished. If ever I have heard an appeal to envy and division in this House, it was that last address. It did not seriously address the question. It ridiculed the sandstone chapel and it ridiculed stationery at a kindergarten but it did not come to grips with the schools that the member was talking about. He made quite a bit of a play on Scotch College, Wesley and King’s but he did not—and nor did the Deputy Leader of the Opposition in her address—break that funding down into per capita funding.

I will take Wesley College as an example—and I am not an apologist for Wesley, or King’s, Scots, Scotch or any other private school, other than to say that, if you are going to have fair-minded debate in this House then bring it down to the real issues. As the Minister for Education, Science and Training said, under the SES system, no student at any school will get less than 13½ per cent of what it costs to educate a child in a state school. Bear in mind also that the SES system calculates the funding for the school on the basis of the socioeconomic profile of the CCD, census collection district, from which that child comes. Obviously, some kids will come from rich areas; some will come from poor areas. When that is balanced out in the profile of the school, that is where you get your government funding figure.

Let us go back to Wesley. What has not been said by any speaker, nor has it been an issue in question time, is that there are 3,100 kids at Wesley—that is a lot of kids—and if you divide that into their $7.36 million of funding, it works out to be $2,380 per child. Or you can look at King’s School, which gets just over $3½ million and has 1,350 students and that comes down to about $2,600; or Scots College, which gets $2,330 per child. If someone has paid taxation, wants to educate their kids and lives in a country that advocates choice and aspirational values, would you not think it fair that they receive some funding? Is 13½ per cent excessive? Are the parents of kids who go to King’s not entitled to $2,300 being spent on their kids’ education?
Let us look at what is paid to a state school compared with, for example, King’s, where there is $2,600 for each kid. If you look at the state secondary school departments in New South Wales, you see that the figure is $11,700 per student. Is the opposition seriously saying that every private school that happens to have a very good P and C or past students’ association has to find that funding? I went to a boarding school. It was not a rich school in those days but as years have gone by—it has an amazing old boys cohort who have supported just about everything that the school has done over the last 105 years—it has developed into a very good school. Are they going to be penalised now because of the generosity of those students? No. Another interesting example mentioned today was Scotch College in Melbourne, which has 1,327 students and gets $3.5 million. There are between 1,300 and 1,400 students at Glen Waverley Secondary College, a state school, and it gets $19.9 million—that is, $3.5 million against $19 million. Do you not think that a kid at a private school, albeit a rich one, is entitled to at least a seventh of the public funding?

Let me go to my own electorate and demonstrate that this SES system does work. I got in touch with the Catholic Education Office in Rockhampton. I am pretty familiar with my electorate, so I went through the Catholic schools and I found that in Monto—a town that has been through a terrible time due to the loss of dairying, the drought and other things—the SES profile was quite generous. The school in Monto had a figure of $5,629. St Joseph’s School in Bundaberg, which is where some of my kids went to school—it was a convent in those days; it is now a private Catholic school—had a figure of $4,085. It would be a middle-of-the-road school in an inner suburb—not in the most affluent part of Bundaberg but reasonably affluent. Gladstone has a high income profile: it is a fairly vibrant industrial town with a good, high standard of living. The two Catholics schools there, St John’s and the Star of the Sea School, have a figure of about $3,300 each. I think that is a fair reflection of what goes on in Monto, Bundaberg and Gladstone in terms of the earning capacity of the parents there. What in heaven’s name could be fairer than that?

Let me take it a bit further and use my own electorate as an example again. We heard in the minister’s address today that the state secondary schools in New South Wales get $11,700 per student. At the time of the last election in Queensland, state schools got $7,797 per student and the average private school got $4,953 per student. I might add that in the latest release from the minister, which I got just a few days ago, the figure for Queensland state schools has gone up to $10,800 per student. Let me have look at the schools in my electorate: the Bundaberg Christian College receives $5,621 per student; Faith Baptist, $5,719; Trinity College, not to be confused with Trinity College in Sydney, $4,564; Shalom College, the Catholic secondary college, $4,978; Chanel College, the Catholic college in Gladstone, $4,960; and, St Luke’s, the Anglican College in Bundaberg, $6,509. Again, all those schools represent fairly the socioeconomic profile of the suburbs and the townships in which they are located. I repeat: the average state school would get nearly twice the figure that would go to those private schools.

The QTU have been running a totally unfortunate and dishonest campaign. They will not mention state school funding by state governments; they only want to concentrate on federal funding. If you take a profile of the federal funding—and we say that the federal government is primarily responsible for private schools—you find that the Commonwealth provides $4.4 billion, the state provides $1.8 billion for private schools and
the parents put in $4.1 billion. In other words, the parents fund 40 per cent of the cost of educating children in private schools. That is the average between the King’s of the world and the small convents; the average is about 40 per cent in fees. I do not think that is unreasonable. I think that is a perfectly fair formula. The other thing the union argues is that really there is no longstanding arrangement between the Commonwealth and the states. You can go back to Menzies, you can go back to the Fraser government, you can go back to the Hawke and Keating governments and there has been a long-established rule that says that the states primarily fund the state schools and the Commonwealth primarily funds the private schools. Labor is in denial and that is just not good enough. (Time expired)

Dr NELSON (Bradfield—Minister for Education, Science and Training) (4.22 p.m.)—I table a document. It is the letter I referred to in question time from the IEU to the Australian Education Union.

Mr ORGAN (Cunningham) (4.22 p.m.)—I welcome the opportunity to speak to the member for Jagajaga’s MPI on the need for a fairer schools funding system, one based on need, for there is no doubt that the public education system in this country is currently in dire need. The present system is not working, Minister, and there are plenty of examples out there of that. The issue of a fairer schools funding system is one which goes to the core of our nation’s future.

Australia currently lags behind comparable countries in its public investment in preschool care and education in public schools and tertiary institutions. As the minister has pointed out, it is the responsibility both of the federal and the state governments. However, this government has pursued an ideological agenda of encouraging the growth of non-government schools and of pouring money into the private school sector at the expense of public schools. The figures are damning—66 per cent of federal government funds are going to the private sector at the moment and only 34 per cent to the public sector.

Following the mantra of choice, this government has allowed independent and private schools to spring up around the country, all of which are taking resources out of the small bucket of money available for education and, more importantly, taking money from the public sector. That is an important point: there is only so much money around in this country for education. With schools cropping up left, right and centre, it is putting a lot of pressure on the public sector. As a result, the public system is stalling and being held back by budget constraints. Frankly, this is not fair.

It is the role of the federal and state governments to support and prioritise the public education sector—to adequately fund the sector above all else. Once that priority is dealt with, other schools can be funded based on need. The Greens are committed to supporting a high-quality public education system and, in doing so, turning around the worrying growth trend in private schooling that is dividing our communities at the moment. The Greens called for the scrapping of the appallingly unfair SES model that funds non-government schools. The motion to scrap the SES model was put by the Greens in the Senate on 4 March. The $1.5 billion earmarked in the recent budget for the wealthiest private schools over the next four years should, we feel, be redirected into priority public schools funding programs.

We have heard a lot in this debate about the money going to wealthy schools and various examples of that, but what we do not really hear about are the dire circumstances in some of our poorer and public schools. I
would like to refer to that during the brief time I have to speak today. The Greens believe that funding of private schools should be frozen at 2003-04 levels in order to direct those savings into urgently needed catch-up funds for the public sector. Make no mistake, those funds are urgently needed.

For example, I have recently received from various schools in my electorate lists of resource needs and resource demands. I am sure other members have received similar lists. Comparing the money that goes to the various schools, the government is giving about $3,500 per private school student compared with $887 per public school student. Schools are looking at some of the ways in which they could spend that extra $2,696 per annum for each of their students, if they had it. They have come up with a list of some of those ways. It is quite telling in showing what the real dire straits are out there.

On Gwynneville Public School’s list, for example, is the requirement for a school assembly hall. At present a demountable library serves that purpose. Helensburgh is asking for smaller class sizes, more sports equipment and a hall to fit the whole school population in. Figtree High School is asking for the opportunity for teachers to attend training courses and to update the library computer facilities to allow Internet access—not laptops for each student but simply to allow Internet access for the school! They want a purpose-built computer room. They want a hot water system and a shower. Another school requires a breakfast program, as 93 per cent of its students are not eating breakfast. That school also wants access to the Internet, extra time for cleaning staff and books. These are very basic demands from schools in my electorate. That is what we should be thinking about.

When we hear tales of millions and millions of dollars going into single schools, we have to ask: ‘Are those schools really in need?’ I would suggest they are not. I would suggest some of these other schools are in dire straits and really in need, and that is what we should all be focusing on. Corrimal East Public School’s list includes employment of approximately 10 more teachers. They also request the full maintenance of the entire school rather than the application of bandaid solutions. The minister said that a lot of this is totally the responsibility of the state government but, at the end of the day, it is not happening. We have a problem out there in the community. It is up to the federal and state governments, the community and all of us to work together to fix these problems up.

Mr Lloyd—It’s the Labor state governments.

Mr ORGAN—It is not just the Labor state governments—I think we all need to work together. There is another school which is calling for the repair of damaged playground areas; an audio system that works—I could go on—covered walkways; a hall; and a room in which students can participate in dancing, art, singing and drama. These are basic facilities that unfortunately are not being provided around our country. There is a request for a full-time teacher-librarian and another request for a hall, a library and a resource area. Waniiora Public School, in my area, is just a lot of demountables. It has no permanent library. It has old timber buildings with white ant, no wet areas and no permanent hall.

It is quite obvious that there is a problem in our schools. We need to really put our minds to dealing with this problem. The Greens believe—and I am sure that many people in here believe—that every child should be guaranteed an education at a local government school that is the best educa-
tional, cultural and social experience on offer. Also, if parents seek to send their children to a private school then that is their choice, and they of course have the right to do that, but government support for the private sector must not—I repeat: must not—be at the expense of the public sector. At the moment it is.

In my own electorate of Cunningham, parents of primary school pupils are paying millions of dollars to meet basic educational needs at public schools, including salaries for teachers, new school buildings, sports courts and computers. As I said, this applies to the secondary sector as well. Parents are putting in thousands of hours of voluntary labour to clean toilets, maintain gardens and repair playground equipment, and a lot of this should be taken up by the government. We have to remember that education is a right, not a privilege. Those in the community who have not got extra funds and who cannot put a lot of money into these sorts of things need to have access to quality education.

The government argues that government schools are the winners when it comes to capital funding. It is obvious that with their overall funding regime private schools are the big winners, and parents and communities around the country can see that. The Greens acknowledge that the federal government gives more capital funds to public education than to private schools, but the effect of this is completely swamped by the outrageous bias towards private education in per capita funding. Commonwealth funding to private schools increased by an average of $996 per student from 1999 to 2003. This represents more than seven times the increase for government schools. So by 2007 government schools in Australia would be getting $828 per student and private schools would be getting a massive $4,531 per student. Further increasing capital funds to private schools will inflict yet further disadvantage on public education, which I feel is an affront to a nation that aims for egalitarianism and equal opportunity.

Seventy per cent of federal funds go to private schools—a massive growth over the last four years since the introduction of the SES based funding—particularly, as we have noted, to the wealthiest private schools in this country. We have heard, for example, how under the old ERI funding formula Trinity Grammar School would have been given $1.579 million in 2001 but under the new SES regime it will be receiving $5.4 million in 2004, a massive increase of 247 per cent.

It is time that the federal government owned up to its responsibility to public education instead of so blatantly treating private education with a large dose of favouritism. There is no doubt that out there in the community this is what people are starting to feel. I have had a number of discussions with schools in my electorate over the last year—public schools, private schools and all sorts of other schools—and especially among the public sector there is very much a feeling that they are starting to be seen as the second tier of the education system. People are saying to them, ‘If we want to get a quality education we need to go to the better funded schools.’ In my day, it was quite clear that a public school gave just as good an education as any other school in the Illawarra area, and I think it is a real shame that these perceptions are now changing. The reality is not changing but if we do not do something about it the reality will change.

BILLS REFERRED TO MAIN COMMITTEE

Mr LLOYD (Robertson) (4.33 p.m.)—by leave—I move:

That the following bills be referred to the Main Committee for consideration:
HIGHER EDUCATION LEGISLATION AMENDMENT BILL (No. 2) 2004

First Reading

Bill presented by Dr Nelson, and read a first time.

Second Reading

Dr Nelson (Bradfield—Minister for Education, Science and Training) (4.34 p.m.)—I move:

That this bill be now read a second time.

This bill contains the first major commitment of new funding to be provided by the budget following the passage last year of the legislation underpinning the government’s higher education reform package Our Universities: Backing Australia’s Future.

The government’s reforms will deliver to universities $2.6 billion over the next five years, including funding for more than 34,000 new university places. It is a substantial and vital commitment to public funding of higher education.

This bill now before us will not only build on this commitment to public funding, but will also clarify the new framework of legislative arrangements, facilitate the transition to the new arrangements and further enhance the central importance of students within the higher education sector.

Firstly, the bill amends appropriation amounts in the new Higher Education Support Act 2003 to provide for the government’s 2004-05 budget measures for higher education.

One of the important budget measures in this bill is a commitment of $4.9 million over four years to the Australian Maritime College. This funding will be used to develop a new campus at Point Nepean, Victoria including providing 40 places each year. The campus will offer courses in marine and coastal conservation.

This bill also provides funding of $18 million over three years to the University of Western Sydney to support capital costs for a new medical school. This will enhance and improve the teaching hospital capacity and delivery of health and medical services in western and south-western Sydney. I look forward to the New South Wales government matching this commitment.

This bill also provides for an additional 12 medical school places at James Cook University in Queensland, and an additional 400 undergraduate nursing places nationwide, building to 1,094 by 2008.

Through this bill the government will also provide $12.4 million over four years for continued transitional assistance for regional tertiary institutions whose funding for research purposes would otherwise be reduced as the result of the application of performance based formulae for allocating research funds. The measure is part of the Australian government’s ongoing commitment to science and innovation through the Backing Australia’s Ability package.

The bill also provides for a number of legislative housekeeping measures. It amends the Higher Education Support Act—HESA—to increase the maximum funding amounts for the Commonwealth Grant Scheme, other grants and Commonwealth scholarships to reflect supplementation for price movements and other technical adjustments for the years 2005 to 2008. It updates the funding amounts in the Higher Education Funding Act 1988 to update appropriations for 2004 to reflect revised overenrolment estimates.
The bill also makes technical amendments to HESA which will enhance the implementation of the higher education reforms. These changes include enabling guidelines to be made concerning the grievance handling procedures for non-Table A providers of academic as well as non-academic matters; enabling guidelines to be made concerning the conditions which may be applied to student contribution amounts and tuition fees for student cohorts; and clearly defining the meaning of courses of study in relation to combined and double degrees.

The bill ensures that Open Learning Australia is subject to all the necessary provisions in HESA so that FEE-HELP can be appropriately administered for OLA students, and that OLA is required to comply with the relevant quality and accountability requirements.

The bill also clarifies the definition of ‘institution’. Under these arrangements the National Institute of Dramatic Art (NIDA) will apply to become a higher education provider. NIDA will obtain additional revenue of around $0.6 million to $0.8 million a year under the new arrangements, and the government will amend its agreement with NIDA so that current NIDA students pay no more than under the current HECS arrangements.

The bill makes Commonwealth supported students at the University of Notre Dame and Avondale College eligible to apply for Commonwealth scholarships. Those scholarships are part of a $327 million five-year program to support students, particularly from regional, rural and low-income backgrounds, with their living expenses whilst they are undertaking their university education.

The bill also amends the Australian National University Act 1991 to enable the ANU to comply with the national governance protocols.

Full details of the measures in the bill are contained in the explanatory memorandum that has been circulated to honourable members.

I commend the bill to the House and present a signed copy of the explanatory memorandum.

Debate (on motion by Mr Edwards) adjourned.

FAMILY AND COMMUNITY SERVICES AND VETERANS’ AFFAIRS

LEGISLATION AMENDMENT (SUGAR REFORM) BILL 2004

First Reading

Bill presented by Mr Pyne, and read a first time.

Second Reading

Mr PYNE (Sturt—Parliamentary Secretary to the Minister for Family and Community Services) (4.40 p.m.)—I move:

That this bill be now read a second time.

The Australian government recognises that the sugar industry continues to face serious difficulties as a result of a number of factors, including low world prices, a corrupt world market and increasing competition from major producers such as Brazil. The Australian government also understands that the sugar industry is vital to many rural and regional communities in coastal Queensland and northern New South Wales.

On 29 April 2004 the Prime Minister announced that the Australian government would provide up to $444.4 million over four years for a comprehensive range of measures to help the sugar industry to reform and to assist individual cane farmers and their families who are in need.

A key issue raised by many in the sugar industry during consultations was the need to
ensure that sugarcane farms can more readily be handed from one generation to the next. Accordingly, the Australian government is introducing legislation that will facilitate intergenerational transfer in the sugarcane industry. The scheme will provide sugarcane growers who satisfy certain criteria with a window of opportunity to gift their farm without attracting the ‘gifting’ rules that apply to social security and Veterans Affairs payments. This measure will support sugarcane growers dealing with challenge and change while, at the same time, increasing the involvement of young people in setting the future directions of the sugar industry.

Key features of the scheme include:

- The net value of the farm enterprise cannot exceed $500,000;
- Sugarcane growers (or their partners) must be age pension age (or will reach that age during the three-year window);
- The income from all sources for the three years prior to the transfer can be up to the maximum rate of age pension that would have been payable in the same period;
- The transfer must be made by way of gift and must divest the sugarcane grower of all interests in sugarcane farming (excluding the family home);
- Sugarcane farms gifted during the ‘window’ will be excluded from the normal gifting provisions. Transfers made prior to the start of the scheme will not be eligible;
- Standard assets test provisions will apply to all other assets;
- Standard income test provisions will apply;
- The next generation must have had an active involvement in the farm for the three years prior to the transfer;
- The retiring farmers must have owned the property for at least 15 years or been actively involved in farming for 20 years.

They must have been in sugarcane for at least the last two years.

The scheme commences from royal assent.

Other important elements of the Sugar Industry Reform Program 2004 include a $146 million sustainability grant to the industry and up to $75 million in funding for regional and community projects. The Sugar Industry Reform Program 2004 also includes:

- Income support for up to 12 months for those growers and harvesters and their families most in need;
- Business planning assistance for growers, harvesters, and cooperative and smaller mills;
- Generous re-establishment grants and retraining assistance for those wishing to leave the industry;
- Restructuring grants for growers to undertake on-farm improvements; and
- Crisis counselling for those involved in the sugar industry.

Furthermore, in recognition that the sugar industry must take the lead in its own reform, the Australian government will establish an industry oversight group and local regional advisory groups to develop and implement comprehensive plans for change.

I present the explanatory memorandum to the House.

Debate (on motion by Mr Edwards) adjourned.
schedule B annexed have been made by the Senate.

Ordered that the requested amendments be considered forthwith.

Senate’s requested amendments—

(1) Clause 2, page 2 (table item 3), omit the table item, substitute:

3. Schedule 2, items 1 to 14

3A. Schedule 2, item 15

3B. Schedule 2, items 16 to 18

3C. Schedule 2, items 19 and 20

3D. Schedule 2, items 21 to 44

(2) Schedule 2, page 10 (line 2) to page 14 (line 10), omit the Schedule, substitute:

Schedule 2—Defence Force Income Support Allowance

Part I—Amendment of the Veterans’ Entitlements Act 1986

1 Subsection 5H(1) (paragraph (b) of the definition of adjusted income)

Repeal the paragraph, substitute:

(b) a payment that is disability pension under paragraph (d) of the definition of disability pension in section 5Q payable to the person;

2 Subsection 5H(1) (paragraphs (cc), (cd) and (ce) of the definition of adjusted income)

Repeal the paragraphs.

3 After paragraph 5H(8)(f)

Insert:

(g) a payment under Part VIIAB, including a payment made under regulations made under that Part;

4 Subsection 5Q(1)

Insert:

Defence Force Income Support Allowance or DFISA means Defence Force Income Support Allowance under Part VIIAB.

5 Subsection 5Q(1)

Insert:

DFISA bonus means DFISA bonus under Part VIIAB.

6 At the end of paragraph 45TC(1)(e)

Add:

Note: Even though the person may not have actually received an amount of social security pension or benefit because the rate of the pension or benefit was nil, in some cases the person will be taken to have received the pension or benefit if adjusted disability pension (within the meaning of section 118NA) was payable to the person or the person’s partner: see subsection 23(1D) of the Social Security Act.

7 After subparagraph 45TC(1)(f)(i)

Insert:

(ia) DFISA bonus; or

8 At the end of paragraph 45TC(2)(e)

Add:

Note: Even though the person may not have actually received an
amount of social security pension or benefit because the rate of the pension or benefit was nil, in some cases the person will be taken to have received the pension or benefit if adjusted disability pension (within the meaning of section 118NA) was payable to the person or the person’s partner: see subsection 23(1D) of the Social Security Act.

9 After subparagraph 45TC(2)(f)(i)
Insert:
(ia) DFISA bonus; or

10 At the end of paragraph 45TC(3)(e)
Add:
Note: Even though the person may not have actually received an amount of social security pension or benefit because the rate of the pension or benefit was nil, in some cases the person will be taken to have received the pension or benefit if adjusted disability pension (within the meaning of section 118NA) was payable to the person or the person’s partner: see subsection 23(1D) of the Social Security Act.

11 After subparagraph 45TC(3)(f)(i)
Insert:
(ia) DFISA bonus; or

12 At the end of section 53J
Add:
Note: Even though the partner may not actually have been receiving an amount of social security pension because the rate of the pension was nil, in some cases the partner will have been taken to be receiving the pension if adjusted disability pension (within the meaning of section 118NA) was payable to the person or the partner: see subsection 23(1D) of the Social Security Act.

13 At the end of section 53M
Add:
(7) If DFISA was payable to the partner in relation to a social security pension the partner was receiving, then the rate of that pension on the last day of the last pension period that ended before the day of the partner’s death is increased by the rate of DFISA that was payable to the partner on that day.

14 Paragraph 53NA(1)(a)
After “pension” (first occurring), insert “, DFISA”.

15 After Part VIIA
Insert:
PART VIIAB—DEFENCE FORCE INCOME SUPPORT ALLOWANCE AND RELATED PAYMENTS
Division 1—Introduction

118N Simplified outline
The following is a simplified outline of this Part:
This Part is about payment of:
(a) Defence Force Income Support Allowance (DFISA); and
(b) DFISA bonus; and
(c) DFISA-like payments under regulations made under this Part.

DFISA—see Division 2
DFISA is payable to a person if the rate of the person’s social security pension or benefit has been reduced (including to nil) because the person, or the person’s partner, has been paid adjusted disability pension (within the meaning of this Part).
Payment of DFISA is automatic: a person does not need to make a claim for it.

DFISA bonus—see Division 3
DFISA bonus is payable to a person if the amount of the person’s social
security pension bonus has been reduced (including to nil) because the person, or the person’s partner, has been paid adjusted disability pension (within the meaning of this Part).

Payment of DFISA bonus is also automatic.

DFISA-like payments—see Division 4

Regulations made under this Part may provide for DFISA-like payments to be paid to a person if adjusted disability pension (within the meaning of this Part) payable to the person, or the person’s partner, reduces the amount of a payment payable to the person under a Commonwealth Act, regulations or an instrument made under such an Act, or a Commonwealth administered program.

118NA Definitions

In this Part:

adjusted disability pension means:

(a) a pension under Part II or IV (other than a pension that is payable under section 30 to a dependant of a deceased veteran); or

(b) temporary incapacity allowance under Part VI; or

(c) a pension payable because of subsection 4(6) or (8B) of the Veterans’ Entitlements (Transitional Provisions and Consequential Amendments) Act 1986 (other than a pension payable in respect of a child); or

(d) a payment (either as a weekly amount or a lump sum) under section 68, 71, 75 or 80 of the MRCA (permanent impairment); or

(e) a payment of a Special Rate Disability Pension under Part 6 of Chapter 4 of the MRCA.

amount includes a nil amount.

excluded amount means an amount that is not income for the purposes of the Social Security Act because of subsection 8(8) of that Act.

partner has the same meaning as in subsection 4(1) of the Social Security Act.

rate includes a nil rate.

social security age pension means age pension under Part 2.2 of the Social Security Act.

social security pension bonus means pension bonus under Part 2.2A of the Social Security Act.

Division 2—Defence Force Income Support Allowance

Subdivision A—Payment of Defence Force Income Support Allowance

118NB Payment of Defence Force Income Support Allowance

(1) Defence Force Income Support Allowance (DFISA) is payable to a person each day on or after 20 September 2004 if:

(a) adjusted disability pension is payable to the person, or the person’s partner, on that day; and

(b) social security pension or social security benefit (the primary payment) is payable to the person on that day; and

(c) the adjusted disability pension reduces (including to nil) the rate of the primary payment on that day.

Note 1: For adjusted disability pension and partner see section 118NA.

Note 2: For social security pension and social security benefit see section 5Q.

Note 3: Even though the person may not actually be paid an amount of social security pension or benefit because the rate of the pension or benefit is nil, in some cases the pension or benefit will be taken to be payable to
the person if adjusted disability pension is payable to the person or the person’s partner: see subsection 23(1D) of the Social Security Act.

(2) However, DFISA is not payable to the person on that day if:

(a) the rate of DFISA would be nil; or

(b) section 1129, 1130B or 1131 of the Social Security Act (financial hardship) applies to the person in relation to the primary payment; or

(c) before that day:

(i) the person had elected not to be covered by this Division; and

(ii) that election had not been withdrawn.

(3) An election, or a withdrawal of an election, under paragraph (2)(c):

(a) must be by document lodged at an office of the Department in Australia in accordance with section 5T; and

(b) is taken to have been made on a day determined under that section.

Subdivision B—Rate of Defence Force Income Support Allowance

118NC Rate of Defence Force Income Support Allowance

DFISA rate where primary payment is neither compensation affected nor prescribed

(1) The rate of DFISA on a day that is on or after 20 September 2004 is worked out using method statement 1 in this subsection, unless:

(a) Part 3.14 of the Social Security Act (compensation recovery) applies to reduce the rate of the primary payment on that day (in which case see method statement 2 in subsection (2)); or

(b) the primary payment is a social security pension or social security benefit that is prescribed for the purposes of this section (in which case, see subsection (3)).

Note: For primary payment see section 118NB.

Method Statement 1

Step 1. Work out the daily provisional payment rate for the primary payment on that day.

Note: For daily provisional payment rate see subsection (4).

Step 2. Work out what would have been the daily provisional payment rate (the notional rate) for the primary payment on that day if both of the following assumptions were made:

First assumption

The first assumption is that the adjusted disability pension payable to the person, or the person’s partner, were an excluded amount (see section 118NA).

Note: This will mean the adjusted disability pension will not be treated as income when calculating the notional rate.

Second assumption

The second assumption is that, if an amount of rent assistance was included in the primary payment, that amount were reduced (but not to less than nil) by the rent reduction amount.

Note: For rent assistance and rent reduction amount see subsection (4).

Step 3. Subtract the daily provisional payment rate under step 1 from the notional rate under step 2. The difference is the rate of DFISA on that day.

DFISA rate where primary payment is compensation affected but not prescribed

(2) The rate of DFISA on a day that is on or after 20 September 2004 is worked out using method statement 2 in this subsection if:

(a) Part 3.14 of the Social Security Act (compensation recovery) applies to reduce the rate of the primary payment on that day; and

(b) the primary payment is not a social security pension or social security benefit that is prescribed for the purposes of this section (in which case, see subsection (3)).
benefit that is prescribed for the purposes of this section.

Note: For primary payment see section 118NB.

Method Statement 2

Step 1. Work out the daily provisional payment rate for the primary payment on that day.

Note: For daily provisional payment rate see subsection (4).

Step 2. Work out the amount by which Part 3.14 of the Social Security Act reduces the daily primary payment rate on that day.

Step 3. Subtract the amount in step 2 from the rate in step 1.

Step 4. Work out what would have been the daily provisional payment rate (the notional rate) for the primary payment on that day if the 2 assumptions referred to in step 2 of method statement 1 in subsection (1) were made.

Step 5. Work out the amount by which Part 3.14 of the Social Security Act would have reduced the notional rate on that day if that rate had been the daily primary payment rate.

Step 6. Subtract the amount in step 5 from the rate in step 4.

Step 7. Subtract the amount in step 3 from the amount in step 6. The difference is the rate of DFISA on that day.

Regulations may prescribe other ways of calculating rate of DFISA

(3) The regulations may prescribe a social security pension or social security benefit for the purposes of this section. If the regulations do so, the regulations must also prescribe the method to work out the daily rate of DFISA that is payable in relation to that pension or benefit.

Note: For social security pension and social security benefit see section 5Q.

Definitions

(4) In this section:

daily provisional payment rate means the provisional payment rate, provisional annual payment rate or provisional fortnightly payment rate referred to in the Rate Calculator used under the Social Security Act to work out the rate of the primary payment, converted to a daily rate by dividing the rate by 364 (for a provisional annual payment rate) or 14 (for a provisional fortnightly payment rate).

rent assistance has the same meaning as in the Social Security Act.

rent reduction amount is the amount that would be a person’s income reduction under the Social Security Act if that income reduction were worked out by applying the same income test or ordinary income test that was used under that Act in calculating the person’s primary payment, but applying that test on the basis that the adjusted disability pension payable to the person, or the person’s partner, were the person’s only ordinary income for the purposes of that Act.

Subdivision C—Special rules for the Social Security Act

118ND Bereavement payments under the Social Security Act

Increase of bereavement payments to take account of DFISA

(1) If, immediately before a person dies:

(a) a social security pension or social security benefit was payable to the person; and

(b) DFISA was payable to the person; then, for the purposes of the bereavement payment provisions of the Social Security Act, the rate of the pension or benefit that, if the person had not died, would have been payable to the person on a day during the bereavement period is increased by the rate of DFISA that would also have been payable to the person on that day.
Note 1: For social security pension and social security benefit see section 5Q.

Note 2: For bereavement payment provision and bereavement period see subsection (4).

DFISA paid to person after the person dies

(2) If:
(a) a person is qualified for payments under a bereavement payment provision of the Social Security Act in relation to the death of the person’s partner; and
(b) after the person’s partner died, an amount of DFISA to which the partner would have been entitled if the partner had not died has been paid under this Part; and
(c) the Social Security Secretary is not satisfied that the person has not had the benefit of the DFISA amount;
the following provisions have effect:
(d) the DFISA amount is not recoverable from the person or from the personal representative of the person’s partner, except to the extent (if any) that the DFISA amount exceeds the amount payable to the person under the bereavement payment provision;
(e) the amount payable to the person under the bereavement payment provision is to be reduced by the DFISA amount.

Note: For bereavement payment provision and Social Security Secretary see subsection (4).

Financial institutions not liable

(3) If:
(a) a person is qualified for payments under a bereavement payment provision of the Social Security Act in relation to the death of the person’s partner; and
(b) the amount of DFISA to which the person’s partner would have been entitled if the person’s partner had not died has been paid under this Part into an account with a financial institution within the bereavement period referred to in the bereavement payment provision; and
(c) the financial institution pays to the person, out of the account, an amount not exceeding the total of the DFISA amounts paid as mentioned in paragraph (b);
the financial institution is, in spite of anything in any other law, not liable to any action, claim or demand by the Commonwealth, the personal representative of the person’s partner or anyone else in respect of the payment of that money to the person.

Definitions

(4) In this section:
bereavement payment provisions of the Social Security Act means the following provisions of that Act:
(a) Division 9 of Part 2.2 (age pension);
(b) Division 10 of Part 2.3 (disability support pension);
(c) Division 9 of Part 2.4 (wife pension);
(d) Division 9 of Part 2.5 (carer payment);
(e) Division 9 of Part 2.7 (bereavement allowance);
(f) Division 9 of Part 2.8 (widow B pension);
(g) Division 9 of Part 2.10 (parenting payment);
(h) Division 10 of Part 2.11 (youth allowance);
(i) Division 10 of Part 2.11A (austudy);
(j) Division 9 of Part 2.12 (newstart);
(k) Division 11 of Part 2.12B (mature age allowance);
Division 9 of Part 2.14 (sickness allowance);
(m) Division 9 of Part 2.15 (special benefit);
(n) Division 9 of Part 2.15A (partner allowance);
(o) Division 10 of Part 2.16 (special needs pension).

bereavement period has the meaning given by subsection 21(2) of the Social Security Act.

Social Security Secretary means the Secretary of the Department administered by the Minister who administers the Social Security Act.

118NE Remote Area Allowance under the Social Security Act

(1) If, on a day that is on or after 20 September 2004:
(a) adjusted disability pension is payable to a person or a person’s partner; and
(b) a social security pension or social security benefit is payable to the person; and
(c) the rate of the social security pension or social security benefit is nil; and
(d) the rate of the social security pension or social security benefit would not be nil if the 2 assumptions (that relate to the adjusted disability pension) referred to in step 2 of method statement 1 in subsection 118NC(1) were made;
then, for the purposes of the remote area allowance provisions of the Social Security Act, the rate of the social security pension or social security benefit on that day is taken to be greater than nil.

Definitions

(2) In this section:
remote area allowance provisions of the Social Security Act means the following provisions of that Act:
(a) point 1064-H1;
(b) point 1065-E1;
(c) point 1066-H1;
(d) point 1066A-I1;
(e) point 1066B-F1;
(f) point 1067G-K1;
(g) point 1067L-F1;
(h) point 1068-J1;
(i) point 1068A-F1;
j) point 1068B-G1.

Division 3—DFISA bonus

Subdivision A—Payment of DFISA bonus

118NF Payment of DFISA bonus

(1) DFISA bonus is payable to a person if:
(a) on a day (the critical day) that is on or after 20 September 2004, adjusted disability pension is payable to the person or the person’s partner; and
(b) on the critical day, social security age pension becomes payable to the person; and
(c) on or after the critical day, social security pension bonus is granted to the person in relation to that age pension; and
(d) the adjusted disability pension reduces (including to nil) the amount of that pension bonus.

Note: For adjusted disability pension, partner, social security age pension and social security pension bonus see section 118NA.

(2) However, DFISA bonus is not payable to the person if, on the critical day, section 1129 of the Social Security Act (financial hardship) applies to the person in relation to that age pension.

118NG When DFISA bonus is to be paid

DFISA bonus is to be paid on:
(a) the first pension payday after the social security pension bonus was granted; or
(b) if the Commission considers it is not practicable to pay the DFISA bonus on that payday—the next practicable day.

Note: For pension payday see section 5Q.

118NH Payment of bonus after death

(1) This section sets out the only circumstances in which DFISA bonus will be payable after the death of the person concerned.

DFISA bonus payable before person dies

(2) If:

(a) DFISA bonus is payable to a person; and

(b) the person dies; and

(c) at the time of the person’s death, the person had not received the DFISA bonus;

the bonus is payable to the legal personal representative of the person.

Liability of Commonwealth

(3) If DFISA bonus is paid under subsection (2), the Commonwealth has no further liability to any person in respect of that bonus.

Subdivision B—Amount of DFISA bonus

118NI Amount of DFISA bonus

(1) The amount of DFISA bonus for a person is worked out as follows:

Method Statement

Step 1. Work out the amount of social security pension bonus payable to the person.

Step 2. Work out the amount of social security pension bonus (the notional pension bonus) that would have been payable to the person if the adjusted disability pension payable to the person, or the person’s partner, were an excluded amount.

Note: For excluded amount see section 118NA.

Step 3. Subtract the amount of the pension bonus under step 1 from the amount of the notional pension bonus in step 2. The difference is the amount of the DFISA bonus.

Division 4—DFISA-like payments etc. under regulations

118NJ DFISA-like payments etc. under regulations

DFISA-like payments

(1) The regulations may make provision for and in relation to a payment (DFISA-like payment) to a person on a day that is on or after 20 September 2004 if:

(a) adjusted disability pension is payable to the person, or the person’s partner, on that day; and

(b) either:

(i) a payment (the primary payment) under a Commonwealth scheme is payable to the person on that day but, because of the adjusted disability pension, the rate of the primary payment is reduced (including to nil); or

(ii) apart from the adjusted disability pension, a payment (the primary payment) under a Commonwealth scheme would be payable to the person on that day.

Note 1: For adjusted disability pension and partner see section 118NA.

Note 2: For Commonwealth scheme see subsection (3).

Secondary benefits

(2) The regulations may also make provision for and in relation to a payment, or the provision of a non-financial benefit, to the person on a day that is on or after 20 September 2004 if:

(a) a payment (other than the primary payment) or a non-financial benefit is not payable or provided to the person on that day under the Commonwealth scheme or another Commonwealth scheme, but only because the primary payment is not
payable to the person on that day; and
(b) the primary payment is not payable to the person on that day, but only because adjusted disability pension is payable to the person, or the person’s partner, on that day; and
(c) a DFISA-like payment is payable to the person on that day.

(3) In this section:
Commonwealth scheme means:
(a) an Act; or
(b) regulations or an instrument made under an Act; or
(c) a program administered by the Commonwealth.

16 After subsection 121(6)
Insert:
(6A) For a pension that is DFISA:
(a) each instalment is to be rounded to the nearest cent (rounding half a cent upwards); and
(b) subsections (3), (4) and (6) do not apply.

17 Subsection 122A(2) (definition of pension)
After “Act”, insert “or DFISA bonus”.

18 Before section 123
Insert:
122C Payment of DFISA outside Australia
If DFISA is payable to a person who is physically outside Australia, then it may be paid:
(a) in the manner determined by the Commission; and
(b) in the instalments determined by the Commission.

122D Deductions of DFISA and DFISA bonus paid to Commissioner of Taxation
Deductions from DFISA because of notice from the Commissioner of Taxation
(1) The Commission must, in accordance with Subdivision 260-A in Schedule 1 to the Taxation Administration Act 1953, for the purpose of enabling the collection of an amount that is, or may become, payable by a recipient of DFISA:
(a) make deductions from instalments of DFISA payable to the recipient; and
(b) pay the amount deducted to the Commissioner of Taxation.

Deduction from DFISA bonus because of notice from the Commissioner of Taxation
(2) The Commission must, in accordance with Subdivision 260-A in Schedule 1 to the Taxation Administration Act 1953, for the purpose of enabling the collection of an amount that is, or may become, payable by a recipient of a DFISA bonus:
(a) make a deduction from the bonus payable to the recipient; and
(b) pay the amount deducted to the Commissioner of Taxation.

Deductions from DFISA because of recipient’s request to do so
(3) The Commission may make deductions from instalments of DFISA payable to a person if the person, by document lodged at an office of the Department in Australia in accordance with section 5T, requests the Commission:
(a) to make those deductions; and
(b) to pay the deductions to be deducted to the Commissioner of Taxation.

Deduction from DFISA bonus because of recipient’s request to do so
(4) The Commission may make a deduction from a DFISA bonus payable to a person if the person, by document lodged at an office of the Department in Australia in accordance with section 5T, requests the Commission:
(a) to make the deduction; and
(b) to pay the amount to be deducted to
the Commissioner of Taxation.

The Commission must pay to the
Commissioner of Taxation an
amount deducted under this subsec-
tion.

122E Payments of DFISA at recipien t’s
request

(1) A DFISA recipient may, by document
lodged at an office of the Department
in Australia in accordance with section
5T, request the Commission to make
deductions from instalments of DFISA
for the purpose of making payments in-
cluded in a class of payments approved
by the Minister.

(2) If such a request is made, the Commis-

sion may make the deductions and, if it
does so, is to pay the amounts deducted
in accordance with the request.

(3) The Minister may, by writing, approve
classes of payments for the purposes of
this section.

(4) An approval is a disallowable instru-
ment for the purposes of section 46A of
the Acts Interpretation Act 1901.

19 Subsection 122D(3)

Repeal the subsection.

Note: If item 4 of Schedule 1 to the Veterans’
Entitlements Amendment (Direct Deductions
and Other Measures) Act 2004 does not
commence, this item does not commence at
all. See item 3C of the table in subsection
2(1).

20 Section 122E

Repeal the section.

Note: If item 4 of Schedule 1 to the Veterans’
Entitlements Amendment (Direct Deductions
and Other Measures) Act 2004 does not
commence, this item does not commence at
all. See item 3C of the table in subsection
2(1).

21 At the end of section 199

Add:

; and (e) payments made under Part VIIAB,
and payments and benefits made
under regulations made under that
Part.

22 Point SCH6-C1 of Schedule 6

Repeal the point, substitute:

Application

SCH6-C1 Points SCH6-C2 to
SCH6-C11 and point SCH6-C15 apply
to a person who is in receipt of a ser-
vie pension or an income support sup-
plement. Points SCH6-C13 and SCH6-
C14 apply only to a person who is in
receipt of a service pension. Points
SCH6-C14B and SCH6-C14C apply
only to a person who is in receipt of an
income support supplement.

23 Point SCH6-C2 of Schedule 6

Omit “to SCH6-C15 (which apply only
to a person who is in receipt of a ser-
vie pension)”, substitute “and SCH6-
C14 (which apply only to a person who
is in receipt of a service pension) and
points SCH6-C14B and SCH6-C14C
(which apply only to a person who is in
receipt of an income support supple-
ment).”.

24 Paragraph SCH6-C7(e) of Schedule
6

Repeal the paragraph, substitute:

(c) whether or not the person, or the
person’s partner, receives one or
more of the following payments:

(i) disability pension;

(ii) permanent impairment compen-
sation;

(iii) adjusted disability pension.

25 Point SCH6-C7 of Schedule 6

(note 2)

After “For”, insert “adjusted disability
pension and”.

26 Point SCH6-C12 of Schedule 6

Omit “to SCH6-C15”, substitute “and
SCH6-C14”.

CHAMBER
27 After point SCH6-C14 of Schedule 6

Insert:

Application

SCH6-C14A Points SCH6-C14B and SCH6-C14C apply only to a person who is in receipt of an income support supplement. If such a person, or the partner of such a person, receives adjusted disability pension, the amount of rent assistance worked out under Table C-2 may be reduced under point SCH6-C14B.

Note: For adjusted disability pension see point SCH6-C16.

Effect of adjusted disability pension on rate of rent assistance

SCH6-C14B This is how to work out the effect of a person’s adjusted disability pension on the person’s rate of rent assistance:

Method statement

Step 1. Work out the annual rate of the person’s adjusted disability pension: the result is the person’s disability income.

Note 1: For adjusted disability pension see point SCH6-C16.

Note 2: For the treatment of the amount of adjusted disability pension of members of a couple see point SCH6-C14C.

Step 2. Work out the person’s rent assistance free area (see point SCH6-C15 below).

Step 3. Work out whether the person’s disability income exceeds the person’s rent assistance free area.

Step 4. If the person’s disability income does not exceed the person’s rent assistance free area, the person’s rate of rent assistance worked out under Table C-2 is not affected.

Step 5. If the person’s disability income exceeds the person’s rent assistance free area, take the person’s rent assistance free area away from the person’s disability income: the result is the person’s disability income excess.

Step 6. Multiply the person’s disability income excess by 0.4: the result is the rent assistance reduction amount.

Step 7. Take the person’s rent assistance reduction amount away from the rate of rent assistance worked out under Table C-2: the result is the person’s rate of rent assistance.

Disability income

SCH6-C14C If a person is a member of a couple, the person’s disability income for the purposes of SCH6-C14B is worked out as follows:

(a) if each member of the couple receives adjusted disability pension—by adding the couple’s annual rates of adjusted disability pension and dividing the result by 2;

(b) if only one member of the couple receives adjusted disability pension—by dividing the member’s annual rate of adjusted disability pension by 2:

Note: For adjusted disability pension see point SCH6-C16.

28 Point SCH6-C16 of Schedule 6

Insert:

adjusted disability pension has the same meaning as in section 118NA.

Part 2—Amendment of other Acts

A New Tax System (Family Assistance) Act 1999

29 Subsection 3(1) (paragraph (a) of the definition of receiving)

After “subsections”, insert “23(1D),”.

30 After paragraph 7(h) of Schedule 3

Insert:

(ha) Defence Force Income Support Allowance under Part VIIAB of the Veterans’ Entitlements Act 1986;

Income Tax Assessment Act 1936

31 At the end of subsection 202EA(5)

Add:

Income Tax Assessment Act 1997

32 Subsection 52-65(1)

After “pension bonus”, insert “or DFISA bonus”.

33 Subsection 52-65(1A)

After “Part IIIAB”, insert “, or DFISA bonus under Part VIIAB.”.

34 Section 52-65 (after table item 5.1)

Insert:

<table>
<thead>
<tr>
<th>5A.1</th>
<th>Defence Force Income Support Allowance: the social security pension or social security benefit that is also payable to you on the day this allowance is payable to you is exempt from income tax under section 52-10</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Exempt</td>
</tr>
<tr>
<td></td>
<td>Not applicable</td>
</tr>
</tbody>
</table>

35 Section 52-75 (after table item 5)

Insert:

<table>
<thead>
<tr>
<th>5A</th>
<th>Defence Force Income Support Allowance Part VIIAB Not applicable</th>
</tr>
</thead>
</table>

Social Security Act 1991

36 At the end of paragraph 8(8)(y)

Add:

or (x) a payment under Part VIIAB (DFISA) of that Act (including a payment made under regulations made under that Part);

37 Subsection 23(1)

Insert:


38 After subsection 23(1C)

Insert:

(1D) If, on a day that is on or after 20 September 2004:

(a) adjusted disability pension (within the meaning of section 118NA of the Veterans’ Entitlements Act) is payable to a person or a person’s partner; and

(b) apart from this subsection, a social security pension or social security benefit is not payable to the person, but only because the rate of the pension or benefit would be nil; and

(c) the rate of the social security pension or social security benefit would not be nil if the 2 assumptions (that relate to the adjusted disability pension) referred to in step 2 of method statement 1 in subsection 118NC(1) of the Veterans’ Entitlements Act were made;

then, despite any other provision of this Act:

(e) the social security pension or social security benefit is taken to be payable to the person on that day; and

(f) the person is taken to be receiving the social security pension or social security benefit on that day.

Note: This subsection overrides provisions of this Act (for example, sections 44 and 98) that provide that a social security pension or social security benefit is not payable where the rate of the pension or benefit would be nil, but only where the rate would not be nil if the 2 assumptions referred to in paragraph (c) were made.

39 At the end of paragraph 92C(e)

Add:

Note: Even though the person may not have actually received an amount of social security pension or benefit because the rate of the pension or benefit was nil, in some cases the person will be taken to have received the pension or benefit if adjusted disability pension (within the meaning of section 118NA...
of the Veterans’ Entitlements Act) was payable to the person or the person’s partner: see subsection 23(1D) of this Act.

40 At the end of paragraph 92C(f) Add:
; or (iii) DFISA bonus under Part VIIAB of the Veterans’ Entitlements Act.

41 After subparagraph 1134(1)(e)(i) Insert:
  (ia) if DFISA under Part VIIAB of the Veterans’ Entitlements Act is payable to the person—the maximum payment rate less the DFISA rate; or

42 Paragraph 1134(1)(e) Omit “lower”, substitute “lowest”.

Part 3—Application and transitional provisions

43 Application of amendments in this Schedule

(1) The amendments made by items 1, 2, 22, 23, 24, 25, 26, 27 and 28 of this Schedule apply in relation to payments under the Veterans’ Entitlements Act 1986 payable on or after 20 September 2004.

(2) The amendment made by item 29 of this Schedule applies in relation to social security payments under the Social Security Act 1991 payable on or after 20 September 2004.

44 Transitional: claims made for social security pension or benefit that are not determined before 20 September 2004 If:

(a) on a day (the claim day) that is before 20 September 2004, a person made a claim for a social security pension or a social security benefit; and

(b) on the claim day, adjusted disability pension (within the meaning of section 118NA of the Veterans’ Entitlements Act 1986 (as amended by this Schedule)) was payable to the person or the person’s partner; and

(c) before 20 September 2004, a determination on the claim had not been made; and

(d) apart from this item, the claim would be rejected on or after 20 September 2004, but only because the rate of the pension or benefit would be nil; and

(e) the rate of the pension or benefit would not be nil if the 2 assumptions (that relate to the adjusted disability pension) referred to in step 2 of method statement 1 in subsection 118NC(1) of that Act (as amended by this Schedule) were made;

then, despite any provision of the Social Security (Administration Act) 1999, the claim is taken to have been made on 20 September 2004.

Mrs VALE (Hughes—Minister for Veterans’ Affairs) (4.46 p.m.)—I move:

That the requested amendments be made.

These amendments to the Veterans’ Entitlements (Clarke Review) Bill 2004 will clarify and expand on the amendments that were contained in schedule 2 of the bill to introduce the Defence Force income support allowance, otherwise known as DFISA, that will be payable from 20 September 2004. At the time of introduction and passage of the bill through the House, the provisions of the bill contained the core elements of the new DFISA. These core elements were included in the bill and contained the fundamentals of the new allowance. These core elements have not changed.

The Defence Force income support allowance will be payable to the recipients of disability pension and their partners whose social security pension or benefit is reduced or is not payable because of the payment of disability pension by the Department of Veterans’ Affairs. The underlying policy inten-
tion is that the payment of DFISA will result in the same outcome for the recipient as would have been achieved if payments of disability pension by the Department of Veterans’ Affairs were exempted from the social security income test but were included in the calculation of rent assistance.

The new allowance is a supplement to disability pension recipients and their partners, and as such it is and should be delivered by my department and not by Centrelink, as for all other veteran payments. The provision of the new allowance under the Veterans’ Entitlements Act also ensures that a precedent is not set in social security law that will enable other groups to have their compensation payments excluded from the assessment of social security payments.

At the time the legislation was presented to the House, the department realised that some amendments would be required for consideration in the Senate but expected that the necessary provisions would be relatively straightforward deeming provisions. It was not until these possible further amendments were further investigated that it became evident that the legislative amendments necessary to harmonise a new Veterans’ Entitlements Act allowance with the complex social security law would be more extensive than originally thought. A further complexity arose due to the impact of taxation laws on the new allowance. At no time was there any intention to misrepresent the government’s policy objectives and the fundamentals in relation to the introduction of the new DFISA.

Further detailed work that occurred on the bill in consultation with the Department of Family and Community Services and Treasury indicated that effective implementation of the measures required complex and detailed provisions. This ensured that there was some certainty of the application of the new measures to the many different circumstances in which veterans, war widows and widowers and their families obtain benefits under social security law.

The clear aim of the government’s amendments is to ensure that there is certainty in the application of the new measures. There is no intention to fool the House, as has been suggested. Indeed, the legislative process itself requires that any amendments made in the Senate are done so in the understanding that they are subject to further consideration by the House. It is true that the legislative arrangements for DFISA have proven to be complex, but the Australian government strongly favours handling the matter through a Veterans’ Affairs payment. It maintains a clear separation between welfare and Defence services and veteran payment provisions, and it provides for ready compatibility of benefits across categories of Defence and veteran services.

The changes to the bill contained in new schedule 2 include the inclusion of certain payments under the Military Rehabilitation and Compensation Act 2004 in the definition of disability pension and the replacement of the method statement for the calculation of the rate of DFISA with two method statements. The method statements will not be applicable where the pension or benefit is a prescribed payment. The first method statement will apply where the social security pension or benefit is not offset by any compensation payment. The second method statement is to apply where the social security pension or benefit is not offset by any compensation payment.

There is also the inclusion of regulation-making powers to provide for the payment of DFISA to persons receiving a prescribed payment that has been reduced or is not payable because of the receipt of a disability pension. (Extension of time granted) Pay-
ments that may be prescribed could include the saved payments of a now defunct social security pension or a benefit payable under the current or the previous Social Security Act.

Other regulation-making powers include: the provision for the payment of a DFISA like payment to a person in receipt of a payment under a Commonwealth scheme where the payment is reduced or is not payable because of the receipt of a disability pension; the inclusion of provisions for the payment of a DFISA bonus which will be payable where the disability pension has had an effect on the pension bonus payable under the Social Security Act; provisions which will cater for the inclusion of DFISA in bereavement payments under the Social Security Act or the Veterans’ Entitlements Act; amendments to the income support supplement provisions to exclude the disability pension from the income test and to apply the disability pension incomes test to rent assistance; amendments to the Social Security Act 1991 to provide that persons in receipt of DFISA or eligible to receive the payment are to be regarded as being in receipt of the social security pension or benefit to which the payment of DFISA would relate; amendments to the A New Tax System (Family Assistance) Act 1999 to ensure the DFISA recipients are treated in the same manner as other social security payment recipients in relation to payment of the family tax benefit and the child-care benefit; amendments to the Income Tax Assessment Acts 1936 and 1997, linking the taxable status of DFISA to the taxable status of the social security pension or benefit to which the payment relates; and the inclusion of DFISA in the provision that allows for an exemption concerning the provision of tax file numbers by the recipients of certain social security and veterans’ affairs payments.

The amendments to the bill will also include a new schedule 6 to the bill. The amendments included in the new schedule will prevent certain members of the Australian Defence Force from having dual eligibility under both the Military Rehabilitation and Compensation Act 2004 and the Veterans’ Entitlements Act 1986 for injuries, disease or death that may arise from events occurring during defence service on or after 1 July 2004. I remind the House that these amendments have been considered in the Senate, and I commend the bill to the House.

Mr EDWARDS (Cowan) (4.54 p.m.)—From the outset, in rising to speak to the Veterans’ Entitlements (Clarke Review) Bill 2004, I say that the Australian Labor Party will support these amendments. We support them because they put in place something that we have endeavoured to achieve through the Senate over a period of time. Indeed, the Australian Labor Party have on a number of occasions in the Senate moved to amend the Social Security Act—a one-line amendment to section 8, which would have achieved what the government has done in a very convoluted and, indeed, as some have described it, incompetent way. When this legislation came before the House, I indicated that I thought a number of amendments would have to be made. Indeed, in the Senate, the amendments were 14 pages in length—amendments that replaced four full pages in the original bill which was passed by the House.

It seems to me that the House has become, unfortunately, a rubber stamp for government incompetence, where bills are passed when they should not be passed, simply to get them to the Senate to allow the government, for some inexplicable reason, time to amend bills which are obviously introduced into this place incomplete. Having said that—and pointing out and reiterating the view that this legislation was incomplete at
the time it was introduced here—the Australian Labor Party will support these amendments. Indeed, the shadow minister for veterans’ affairs indicated in the other place that we were happy to support this bill and give it noncontroversial status to ensure its fairly speedy passage.

The important thing is that, at the end of the day, former members of the Australian Defence Force will receive payments which the Australian Labor Party for some time have advocated that they should receive. That is the important thing, that is the bottom line and that is why we were prepared to give the bill noncontroversial status to ensure its speedy passage. Having said that, I think it is important to note, once again, the failings of the government as they try to put before this House—and, unfortunately, use the weight of their numbers to get through this House—legislation which is basically poorly drafted, poorly put together and does not achieve the sorts of things that we want to see properly achieved for our veteran community. We support the amendments, but I think it is important to put those comments on the record.

Question agreed to.

BUSINESS
Rearrangement

Mr ANDREWS (Menzies—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (4.58 p.m.)—I move:

That order of the day No. 1, government business, be postponed until a later hour this day.

Question agreed to.

AUSTRALIAN ENERGY MARKET BILL 2004

Cognate bill:

TRADE PRACTICES AMENDMENT (AUSTRALIAN ENERGY MARKET) BILL 2004

Second Reading

Debate resumed from 17 June, on motion by Mr Ian Macfarlane:

That this bill be now read a second time.

Mr FITZGIBBON (Hunter) (4.59 p.m.)—The bills before the House today—the Australian Energy Market Bill 2004 and the Trade Practices Amendment (Australian Energy Market) Bill 2004—give legislative effect to a Council of Australian Governments agreement on energy market reform but more particularly on reforms to the electricity and gas sectors. I have with me two reports that many Australians may not be all that familiar with. The first is entitled Towards a truly national and efficient energy market—also known as the Parer report. The second report is entitled Securing Australia’s energy future. The two reports are similar in many ways but very different in others. They both give very good overviews of Australia’s energy sector, and they make good reading for anyone coming to energy issues for the first time. They provide an overview of the energy sector all the way from upstream oil and gas, our domestic needs and the role we play in the energy export sector, through to our supply and demand equations in our transport sector, and all the way through to household consumption. Along the way they pick up important issues like stationary power generation. The big difference in the reports is that the so-called Parer report makes a number of recommendations. I have not bothered to count them all, but they are certainly numerous. The Parer report begins with an executive summary. That executive summary, amongst other things, says:

The competition reforms of the 1990s transformed Australia’s electricity and gas sectors. They included the separation of the previously
vertically integrated supply chain, introduced competition between generators and between retailers, brought the network element under access and price regulation and saw the creation of a National Electricity Market. In gas, laws limiting interstate trade were repealed and third party access to pipelines was mandated.

Further on it says:

Much has been achieved since COAG—that is, COAG of the early 1990s—agreed to establish a national energy market. Competitive pressures have seen increased generator efficiency and availability, additional generation investment has occurred that seems market related, there have been new gas fields discovered and utilised, and new pipelines have been constructed to transport gas interstate. Indeed, Australia can be proud of its reforms so far. Energy reform is new all around the world, and, while there have been problems, Australia has not experienced them on the scale that has occurred in many other places. Further, the reforms have a clear and appropriate bias to efficient outcomes, which reflects the importance of energy to Australia's welfare.

I am sure that every member of this House concurs with those comments articulated in the executive summary of the Parer report. The report goes on to talk about key findings. It says:

Just as the energy reforms have brought benefits, it seems clear that there are serious deficiencies in some of the reform areas. These deficiencies are either areas that still need to be addressed or they have emerged as unintended consequences of the recent reforms. It is clear that important steps need to be taken to achieve a truly national and efficient energy market.

The report then goes on to cite a number of key findings under the heading 'serious energy market deficiencies'. I want to go through those findings one by one and indicate to the House whether I think that these bills pick up on them. The first key finding reads:

The energy sector governance arrangements are confused, there is excessive regulation, and perceptions of conflict of interest.

Next to this key finding I would put a question mark, because it is true that the bills before the House go some way towards achieving that goal, but it is also true that they fall some way short. The second finding states:

There is insufficient generator competition to allow Australia's gross pool system to work as intended.

Next to that I would put a cross. There are no initiatives in this package to address that issue. The third finding states:

Electricity transmission investment and operation is flawed, and the current regions do not reflect the needs of the market.

I would put a cross next to that. There are no initiatives in this package of bills to address that issue. The fourth finding reads:

The financial contracts market is extremely illiquid, in part reflecting large regulatory uncertainty.

I would put a question mark there, and that is generous. While there is some reform contained within this legislation, it does not go sufficiently far to address that issue. The fifth finding reads:

There are many impediments to the demand side playing its true role in the market.

Again, there are no initiatives in these bills to address that issue. The next finding reads:

There is insufficient competition in the east coast gas market, and too much uncertainty surrounding new pipeline development.

There is some commentary in the report, but there is no initiative in these bills to address that issue. The next finding—and this would be amusing if it were not so serious—reads:

Greenhouse responses so far are ad hoc, and poorly targeted.

Anyone who knows anything about either this package of bills or the Prime Minister's white paper will know that that has not been addressed. The last point reads:
The NEM is currently disadvantaging some regional areas.

Again, there are no initiatives in this package of bills to address that issue. The Prime Minister’s white paper is long on rhetoric and a good overview of Australia’s energy market, but I think the Newspoll tells a story today. The Newspoll tells us that, despite an outlay of some $2.2 billion last week on so-called energy reform, the Prime Minister has not received any bang for his buck. I should put the big qualifier there, of course, that it is $2.2 billion over nine years but the actual benefit or outlay over the forward estimates is much less than that—more to the tune of $450 million.

The fact is that a genuine and effective national energy policy must be fully integrated and have amongst its key goals Australia’s international competitiveness. It must deal with all aspects of the sector, all the way from offshore oil and gas through to household consumption. It must also include a suite of initiatives designed to address environmental concerns, reduce our runaway enthusiasm for energy consumption and strengthen Australia’s energy self-sufficiency and infrastructure. Instead, Mr Howard delivered a head-in-the-sand approach to the environment and energy efficiency, and failed to deal with our most important energy security and reliability issues. His fuel tax cuts—90 per cent of which will not come into effect until not the next parliament but the one after—will be welcomed by some businesses, but I suspect few people out there in the electorate will rate as a priority further tax cuts for business to use a fuel we are fast running out of.

Lacking in the energy white paper was any real vision to unlock and add value to Australia’s vast reserves of stranded natural gas or to wean our economy off its oil dependence in transport fuels. Insulating Australia from the whims of OPEC should be a priority for any Australian government, yet the Prime Minister dismisses this as an issue, stating in the energy white paper:

The level of security in transport fuels is not currently under threat.

This flies in the face of expert opinion flowing out of organisations like ABARE and a range of other expert commentary. According to the CSIRO, Australia is consuming its oil three times faster than it is finding it and has been doing so for at least the last seven years. This means that by 2010 Australia will be importing between 50 and 60 per cent of its crude oil requirements, with a negative impact on the balance of payments of between $7 billion and $8 billion annually. Imports of petrol, diesel and jet fuel are also increasing at a rate of knots.

Conversely, new natural gas discoveries have exceeded gas production over the last 20 years. At today’s crude oil and refined product prices, both gas-to-liquid and coal-to-liquid technologies are commercial. Converting our abundant reserves of gas to clean liquid transport fuel should be Australia’s priority to reduce our growing reliance on OPEC and our increasing exposure to the instability of Middle Eastern supply.

There were no initiatives in the white paper to address the looming crisis in infrastructure investment in the electricity sector, nor were there any attempts to promote a greater diversity of supply and greater competition in the gas sector. Worse, in a blatant 1950s style of politics, the Prime Minister wants to paint everyone who does not agree with his views on the environment as a rabid greenie. The fact is that we as a nation do have some big environmental issues to face up to. Further, projected growth in energy consumption is such that we are going to need all the coal-fired electricity generation we can get and all the renewable generated electricity we can muster. On that basis we
must invest in both cleaner and more efficient coal technologies and the renewable sector. The investment must be proportionate.

After waiting eight years for an energy policy, the Howard government has given us nothing but a blatant, cynical pre-election bid. We were waiting for an integrated energy policy. We have had a cabinet-level sub-committee beavering away over there in the department for more than 12 months now, I think, and we are all, after eight years in a policy vacuum, entitled to think that the end result of all that would be an energy policy that was appropriate to Australia’s future and widely embraced by the Australian community—but we did not get that. We did not get the Australian community embracing the government’s plan, because it did not meet the test.

In particular, it did not meet the three-point test that I set out for it the day before the energy paper was released. It should address all the environmental concerns held by the Australian community, it should do something about carbon emissions, it should sign up to Kyoto, it should increase the MRET and it should generally get serious about addressing the greenhouse challenge. It should have also committed Australia in the medium term to some form of market based approach to dealing with the carbon question. They are the things Labor will do in taking a market approach in the interests of the environment and in the interests of the Australian community.

I made the point during the MPI last Tuesday that it is glaringly obvious to all and sundry that if the Howard government keeps playing games with this issue—that is, greenhouse gases—what Australian industry will end up with is a plethora of state based carbon constraint regimes. The state premiers are already getting together to talk through those issues. It is a funny thing, Mr Deputy Speaker: those on the other side of the parliament like to say that Labor’s commitment to dealing properly with the greenhouse gas question is anti coal or will somehow be harmful to coal constituencies, including my own.

I pose the question: why is it then that Premier Beattie, Premier Carr and Premier Bracks, the three big coal constituency premiers in this country, are committed to the ratification of the Kyoto protocol? Does anyone out there in the electorate believe that those three premiers would be signing up to such a commitment if they really believed it was going to be damaging to such an important component of their economies? Of course they would not. They are facing reality and they know, as I know, that the best thing you can do for Australian industry is to provide certainty on this question so it can get on with the job. Even the Prime Minister, in about 1997, was quoted as saying that he had no problem with moving to some form of carbon-trading scheme in this country as long as, at the beginning of that scheme, appropriate rights issues were given to those industries likely to be participating in that scheme.

The Parer report recommended that a carbon-trading scheme be adopted in this country, yet the Prime Minister continues to deny it—he seems to be in denial but he is probably not; he thinks this is a wedge for him. He thinks he can roll on with this and pick up a few votes in rural and regional Australia. I have a shock for the Prime Minister. He has a big problem coming his way, although he has probably worked out that it is not his problem because, win, lose or draw at the next election, he will have moved on in 12 months time. Peter Costello will be Prime
Minister and it will no longer be John Howard’s problem.

The second test I set for the energy white paper was the challenge to deal with Australia’s growing import dependency—something I have already made reference to. What does the white paper give us? It gives us this line that it is not a problem and we need not worry about it. The third test I set was a challenge to deal with all the regulatory impediments that are curtailing investment in the electricity and gas markets. I have already made the point that, while these bills kick off that process, they go nowhere near far enough.

When Paul Keating as Prime Minister commenced these reforms in the early 1990s, he did it against all the odds. He was facing a mix of coalition and Labor governments around the nation, but he drove those reforms showing leadership, and it is leadership that has been lacking throughout this COAG process. I know it is a difficult task to get eight state and territory leaders to agree on a framework. Indeed, Paul Keating found it a very difficult task, but he was able to do it. When you think about it, 80 per cent of the work was done during the early 1990s; we only have 20 per cent to go. All we ask of the current Prime Minister is to pick up that ball and start running again. But the reality is that in a range of microeconomic reform areas—in competition policy in particular—the Prime Minister, rather than picking up the ball, has dropped the ball in these important areas.

I want to return to renewables for a moment. The government have set up two funds in this energy white paper. The first is known as a low emissions technology fund. They say $500 million, but of course that is over nine years. The money made available over the forward estimates period will be something like $100 million. That is the money being made available under the low emissions technology fund. The Prime Minister argues that this fund is open to all comers—those in the fossil fuel sector and those in the renewables sector. But have a think about it: one geosequestration project is worth up to $1 billion—indeed, more than $1 billion. I ask anyone if they believe that, after three or four parties line up for a go at the low emissions technology fund, there is going to be any money left for the renewables sector.

I would not mind putting $10 on the fact that the Prime Minister, or at least his minister, knows already exactly who those companies are and exactly which projects they are talking about. Labor might be supportive of all those projects and we are certainly supportive of investing in clean coal technologies. If we are going to be serious about carbon abatement, we have to deal not only with technologies replacing fossil fuels but also with the emissions coming from the traditional sectors, because in the foreseeable future they will continue to contribute the lion’s share of carbon emissions. So Labor support that investment, but you believe in fairies at the bottom of the garden if you believe the renewables sector is going to get a slice of the action under this low emissions technology fund.

There is another fund, which I generally refer to as the renewables fund. There was talk of some $170 million being available in that. Over the nine-year period—the forward estimates seem to be pretty vague on that—all we can find is some $50 million, which is money already committed under Backing Australia’s Ability mark III. It is apparent to me that it is still very unclear whether the renewables sector is going to have access to much money under that scheme. So we have no increase in the MRET, we have no market based approach in the long term to deal with our carbon issues and it sounds to me like we have a very limited capacity for the renew-
ables sector to secure any access for the development of new technologies, particularly the development of technologies to deal with storage of the electricity they generate.

I want to move onto a couple of issues individually. The first is petrol. Like so many examples in this document, we get an overview of petrol—about one page talking about petrol in this country and market regulation. It makes reference to the Petroleum Retail Marketing Sites Act and the Petroleum Retail Marketing Franchise Act but again we get no solutions. We get commentary on what is happening in the Australian retail petroleum market, like in so many other areas, but no solutions. The government has been talking about reform in this market since its election in 1996—the repeal of the franchise act and of the sites act. We have said as an opposition that we are prepared to back these plans if the government is prepared to show some willingness to replace them with some other means of keeping a brake on the market payout of the major oil companies—a brake which is important now more than ever with the arrival of the alliances between the major supermarkets and the major oil companies. But here we are in 2004 with the energy white paper out and still no reference, other than some commentary, to the government’s plan on petroleum retailing.

We know Minister Macfarlane has in his filing cabinet a submission that, I think, he has already taken to cabinet, but of course the Prime Minister has decided it is all too hard. In any case, the fact is that the alliances between the oil majors and the supermarkets have so changed the dynamic of the industry that already that cabinet submission is an anachronism—out of date and useless. The government has just given up on petrol reform. All the government can run out is some line about Labor being a threat to shopper docket schemes. I do not need to address that here again today, because I have done it sufficiently in the past. Labor supports the shopper docket scheme—we have said that a million times. That is why I was disappointed to see the member for Paterson distributing a pamphlet in his electorate late last week. It was a fancy pamphlet saying, ‘Labor’s going to get rid of the shopper docket scheme—surprise, surprise.’ Unfortunately, the member for Paterson forgot to authorise the leaflet at the bottom of the page. He just sort of roneoed it off the computer and distributed it in his electorate but forgot to authorise the pamphlet. But I will leave it to another day when I have got a little bit more time to take better account of that.

One of the things that the Parer report also took on—which this second report, the government’s white paper, is not prepared to take on—is the question of increasing oil dependence. Parer identifies many of the issues: market concentration, market power, joint marketing arrangements, what could be done to increase competition in the upstream market. Again, I give Parer and all his recommendations a tick—only a few of them were picked up—but, alas, I cannot do the same thing for the Prime Minister’s energy white paper. We cannot go on being dependent on Middle Eastern oil. We have got to find new opportunities. That means exploring for more oil—we support that—but it also means moving Australia to a gas based economy. We have got about 140 trillion cubic feet of natural gas off our shores ready to be commercialised and brought onshore for domestic purposes. We are well placed to wean ourselves off oil and to transform ourselves into a gas economy. Commercialising
these fields is difficult; I acknowledge that. The domestic market is not quite there, but government can play a role in creating that domestic market. It can play a role by increasing demand in the domestic market and therefore bringing the commercial viability of those fields forward. The government does not seem interested in these concepts, but you cannot have a national energy policy without taking these issues on.

All the government seems to be interested in is trying, on a regular basis, to claim credit for a new LNG contract. I will say what I have said a number of times before: the Australian Labor Party, the opposition, supports the export of LNG. It is a fantastic thing for the national economy. It is a great thing for jobs in Australia. It is even a great thing for technology transfers—something else that would flow if this government showed any commitment to the renewable sector in this country. Ask the member for Braddon, who has a burgeoning renewable sector poised to create jobs in his electorate, but he is now told that those developments are unlikely to proceed because of the government’s absolute and unabashed bias towards the fossil fuel sector in this energy white paper. It takes more than running off on LNG contracts—even if some of them are true and some of them are untrue. I make the point that the biggest announcement, about entry into Guangdong in China, is still not set in concrete. We all hope it happens and Labor, in government, would be doing all we can to ensure it does. The second announcement on Gorgon—I think this time there was a suggestion of a $20 billion contract—has gone to a MOU, but is far from set in concrete.

The doozey of them all in the Prime Minister’s latest attempt to portray himself as a Prime Minister interested in energy policy was his trip to California. The Prime Minister had worked out that Washington was not likely to provide him with any great photo shots, because Iraq has gone a bit pear shaped, George Bush is no longer popular, the war is no longer popular—if it ever was in Australia—so he needed another photo opportunity. Off he went to California to have his photograph taken with Arnold Schwarzenegger. He went there giving the Australian electorate the impression that he was going to sign a $15 billion LNG contract for Australia. The problem is: there is no $15 billion LNG contract.

What the Prime Minister went to California to do was to back a proposal by BHP to build a receiving terminal off the coast of California. A receiving terminal off the coast of California would be a good thing for Australia and Australia’s LNG market. The problem is twofold. One, BHP is not the only company bidding for an LNG receivable terminal off the coast of California. Others are bidding, such as Shell and Chevron Texaco—not necessarily off the coast of California, but off the west coast of either California or Mexico. Chevron and Shell do have sources of gas in the Gorgon field in Australia, which they are marketing into the Californian market. Two, BHP does not have any sources of gas that it is marketing in the Californian market. It does have a one-sixth interest in the North West Shelf venture project, but it is basically fully committed and unlikely to be in a position to feed the Californian market. It does have interests in the Scarborough field further off the North West Shelf, but of course that development is years ahead.

I make the point again that BHP has done no marketing in the Californian market. Anyone who knows anything about this business whatsoever understands only too well that to commercialise these fields you need literally years of extensive marketing to secure a buyer or buyers in those potential markets. So the Prime Minister, rather than
produce an energy white paper with an integrated approach showing that he is interested in this issue, thinks he can get away with the odd trip away; go talk to Jiang Zemin, as he did with the Guangdong deal—which I say, again, resulted in a lower price for Australian LNG—or go off to California to talk to Arnold Schwarzenegger about a contract that could never exist.

This is a very disappointing result for Australia. Parer provided a good report full of good recommendations. This is a job not half done, but one-twentieth done, I would suggest. We have an energy white paper we waited at least 8½ years for and there is nothing for Australia’s energy future. All we got was an election grab bag of promises in a fairly unrelated area of fuel policy—a policy that Labor is prepared to have a look at, but not a centrepiece of Australia’s energy policy and Australia’s energy future. I submit to the House the second reading amendment distributed in my name. I move:

That all words after “That” be omitted with a view to substituting the following words:

“whilst not declining to give the bill a second reading, the House condemns the Government’s:

(1) failure after eight and a half years, to produce a policy which guarantees reliable, affordable and environmentally sustainable supplies of energy to all Australians; and

(2) failure to adequately provide for standing in relation to judicial review on these matters.”

(Time expired)

The DEPUTY SPEAKER (Mr Jenkins)—Is the amendment seconded?

Mr Kelvin Thomson—I second the amendment and reserve my right to speak.

Mr TUCKEY (O’Connor) (5.30 p.m.)—I can say with some pleasure that the member for Hunter in introducing his amendment to the Australian Energy Market Bill 2004—which, typically, takes the role of a so-called pious amendment because it does not provide anything other than criticism—has widened the debate substantially beyond the reasons for this particular bill and the cognate bill, the Trade Practices Amendment (Australian Energy Market) Bill 2004. I am not complaining about that; I just want to bring it to the attention of the Deputy Speaker, because there are matters that have now been raised, both by way of amendment and by way of debate, that are of some interest to me.

It was of interest to me to hear the member for Hunter speak at length about Labor’s solutions and, more particularly, his three-way test of the recent energy white paper. He made mention that there was a necessity to address all environmental concerns, but in his discussions he never got past the use of hydrocarbons. He told us to sign the Kyoto protocol, which is a direct requirement to undermine our national sovereignty. There is no need for Australia to meet our international responsibilities in the area of greenhouse emissions by signing away any rights we have to an independent policy in that regard.

The member for Hunter drew our attention to the fact that certain state premiers have got all excited about carbon trading. Their reasons were quite simple. They thought the first thing to be sold was the carbon rights to their state forests. Of course, in the interim—and they have been a bit quiet on this more recently—the forests all burnt down. I have a question to pose on carbon trading. A great advocate for it, the member for Wills, will be the next speaker. He might explain to us the processes which will apply to carbon trading. If you sold people sequestered carbon in a large lot of trees and they all burnt down, such that all the carbon sequestered was emitted into the atmosphere, the person to whom you sold those carbon credits would
naturally want a refund. They would want their money back. One can only speculate on how much the cost to those state governments would be after their tremendous fires of last year. Furthermore, such sequestered carbon, notwithstanding the way it is promoted, is mickey mouse in the international scheme of things, and you have to do a bit better.

As the Prime Minister has pointed out, if you force people to buy additional renewable certificates or if you escalate the MRET, those are just simple ways of increasing the cost of energy in a country that has many high costs because of our standard of living—which I naturally support—and therefore is always being undermined in its ability to compete with the rest of the world. In other words, why support any project that increases our costs when, in fact, alternatives exist that would decrease our costs?

That is fundamental to what the government has produced in the broad parameters of the white paper on energy. The member for Hunter quoted the Prime Minister, who said, ‘It’s open to all comers.’ It is my purpose to stand here today to point out what some of the opportunities are and, more importantly, to point out the government’s credentials already in pursuing some of the really massive options that this nation has—probably better options than anyone else in the world has—to have greenhouse with grunt. In other words, I am talking about a greenhouse renewable policy that does the best for our economy, creates wonderful infrastructure investment opportunities, creates opportunities for investment by people through their managed funds to guarantee long-term stable pensions, and leads the world in reduced emissions.

To make that point, I first point out that the government has not been slacking off in that regard. I was fortunate to help organise on behalf of the government a conference in Broome a year or so ago to highlight to the world the huge energy potential of the tides of the Kimberley and how they could be linked with the cleanest and best fuel—which, of course, for the transport sector is hydrogen. We did that by inviting international speakers from all over the place, and I will refer to some of them in due course.

Only one Labor member, the member for Bonython—to his great credit—chose to attend that conference and hear what the rest of the world is doing about using hydrogen as a transport fuel. The most interesting work is being done in the little country of Iceland. They have their first hydrogen service station, are gearing their entire fishing fleet to hydrogen power and know how they are going to do it. It may be of interest to the member for Hunter that already practically their entire fishing fleet is diesel electric. As they are able to put into place electrical generators based on hydrogen, they know how they are going to store the hydrogen on the vessels. These are lessons that the member for Hunter and the next speaker, the member for Wills, would have heard if they had come to listen.

I make the point based on the following principles. When you look at ABARE’s publication on energy consumption and you look at the figures they project for 2005-06, those figures point out—amongst other things and in brief—that, in round figures, the manufacturing sector consumes 30 per cent of the energy consumed in Australia, the transport sector consumes 40 per cent and the residential sector consumes 13 per cent. If there is something in the white paper that concerns me a little it is the substantial focus on the residential sector, where a 20 per cent reduction in energy consumption is, in my mind, not a very high priority. We need to tackle the 40 per cent, which is the consumption by the transport sector. The technology exists to do it—but certainly not in moments.
Coming back to my reference to hydrogen—which, when used as an energy resource, converts to water—we know from that conference in Broome that BMW are operating a reciprocating motor in a car at this moment, running on a dual fuel, petrol-hydrogen basis. We had the opportunity to watch hydrogen fuel cells, first invented in 1839, operating with rather low consumption levels—running TV sets and other things. The transport department of Western Australia has four hydrogen fuel buses on order. They are available. I think they have to improve in their development, but the reality is that they are being sold and used around the world. The opportunities are amazing—but they will not happen overnight. We are talking about an energy system in transport delivering somewhere around 60 per cent efficiencies compared to the low 20s for our present reciprocating motors.

The member for Hunter talked about—and I do not dispute his argument—using natural gas as a fuel instead of more liquid hydrocarbons. I do think it is important that we have a resource within Australia that is ours and we are not captive to OPEC and all the volatility associated particularly with the Middle East. But, again, a fuel cell can consume natural gas but it does generate a carbon emission. It is well known that you can mix hydrogen with natural gas and the hydrogen component decreases the relative emissions of carbon. I see that as quite a reasonable transitional stage. Of course, considering the difficulties in transporting hydrogen, that would simplify it substantially because it would go down the same natural gas pipeline.

The ideal situation, the ultimate, will be when we get the moneys from the various superannuation funds invested back in something better than playing the derivatives market—which I refer to as one fellow betting today that he can find someone more stupid than himself tomorrow—and when we can get some Aussie dollars invested directly in Aussie assets that have a long-term extremely high profit.

The French have been generating tidal power for 40 years. A speaker from Europe told us that, after 40 years, they are yet do major maintenance on their generators. The tides of course are free and forever, so the only cost of delivering that energy resource is the capital to be serviced on account of the investment. If that is cash that has been contributed by employers and others for people’s retirement, the payments can go straight to people’s pensions.

Imagine pulling in at a service station as an 18-year-old to fuel your electric car with hydrogen and know the profits are going to your superannuation when you retire. Imagine knowing that only the return that superannuants thought was reasonable would dictate the cost of transport fuel. Imagine the flow-throughs, considering how many times road transport or rail transport—both can run on hydrogen—that can flow through the system or how many times it adds to the cost of a tin of beans. Again, by lowering it—remember the 20 per cent and 60 per cent efficiencies—you have attacked 40 per cent of energy consumption as far as emissions are concerned and you have lowered the cost of doing business in Australia. Why would you sign up to Kyoto when you can do that?

**Mr Fitzgibbon**—You should have put that in the white paper.

**Mr TUCKEY**—I am here to put a point of view that can be managed within the white paper. The member for Hunter was at some pains to tell us that the Prime Minister said that it is open to all comers. I am taking this opportunity to put another bid in for what I think is the logical solution.

Furthermore, the producers of coal for the purpose of electricity do not have to see that
as competition. In fact, in some cases, as the member for Hunter knows, the road transport industry actually transports coal. I believe coal should remain, be it cleaner or not. I take note of his point about a single geosequestration process. Geosequestration is the process of pumping gas into the ground. The cost, as he knows, is in separating the gases before you pump them into the ground. I am a bit concerned about his electorate too, once it is all down there. If they have another earthquake there is going to be an awfully big burp. I am not sure that it is really a good idea and I am not sure that it is absolutely necessary.

I am arguing the case here today that, if we attack the 40 per cent of emissions associated with the transport sector and deliver them lower costs—and it is not something for tomorrow; it is something that is happening all around the world as we speak—then in fact we can say to the coal industry, ‘Get on with doing what you do best, and that is producing cheap electricity.’ Our coal deposits are well located in relation to the areas of demand, which the tides are not. But it would be quite practical, to my mind, to generate electricity, electrolyse the water, liquefy the hydrogen and ship it to many parts of the world, including our own great cities.

These are the issues that, to my mind, need to be the foundation of our approach. They can be accommodated within the white paper. The white paper quite properly makes a case for coal, knowing the benefits it delivers because of its efficiency in the generation of electricity. The member for Wills might want to start to hold forth on wind power and solar power. I hope he knows—and, of course, the white paper admits it—that, unless something is done about making a connection between wind power and the grid, the current claims of great reductions in emissions are just not true. The member for Hunter should know, if he has talked to any of the coal generators in his own electorate, that the fact of life is that they are maintaining steam pressure 24 hours a day so they are able to back up the wind generators when the wind stops blowing or when it varies dramatically. Of course, coal-fired power stations are not like, say, hydro or something like that, which can be adjusted to respond very quickly.

In my electorate, in order to meet these renewable certificates and MRETs, Western Power has just put up, with our assistance, a wind generator at Hopetoun. Now they are going to build a brand new diesel powerhouse to back it up. That is in an isolated situation. Much the same applies to photovoltaics. Both, on the other hand, could generate hydrogen when the demand arises. They would generate it relative to their generating capacity, and that could be used in other ways.

Australia does not need Kyoto. Australia does need, as this legislation provides, some energy regulation on this side of the coast. I see that Western Australia is excluded. I presume that is for geographical reasons. But if anybody has been following the history of power and electricity generation in Western Australia they will know that the regulator involved messed it all up and overregulated. Of course, a political party that assumed power in Western Australia about three years ago, and which has concentrated thereafter on blue sky, actually turned the lights out. We found ourselves in darkness because their issues of a social reform nature have been so concentrated that, in fact, they lacked the responses necessary to keep a state like Western Australia, with all of its resource activity, even in a basic electricity power situation.

The points I want to make in this debate—and I am glad for the opportunity created—is that Australia has the resources. Australia can
continue to be a major exporter of liquefied natural gas simply because it can turn to other resources, or, if it likes, it can export liquefied hydrogen. The Americans were open in telling us that they are battling to find within the United States renewable generating capacity for hydrogen, notwithstanding the commitment of President Bush. As we know, he has said publicly in his last address to the nation that the child born as he spoke would in fact be driving an electric car when they reached the age to get a licence.

It is all there. We have the opportunities ahead of most of the world and, as part of the initiative of the white paper, they can progress. I am sure that our government leaders can see the opportunities and will take them in due course. There is nothing in the white paper to prevent that. The white paper, of course, is an attempt to put a focus on the need to look at our energy generation and consumption without Kyoto.

Mr KELVIN THOMSON (Wills) (5.50 p.m.)—It was quite interesting to listen to the remarks of the member for O’Connor, particularly those that related to the idea of the hydrogen economy and to the use of tidal power. There were some very interesting observations made by him there. Unfortunately, I think they were very much off message when you look at what the government is actually doing. There is nothing in either the Australian Energy Market Bill 2004 before us or the government’s white paper on energy policy delivered last week which suggests that any of the suggestions put forward by the member for O’Connor would have any prospect of being persevered with.

Indeed, he went further off message when he talked about some of the problems with and reservations about coal geosequestration. Those reservations are certainly not being expressed by the government, which has very much put all of its eggs in the geosequestration basket. But I suppose that being off message is one of the luxuries that you have when you are in your political twilight, as the member for O’Connor is. I did feel when I was listening to him that, in his heart of hearts, he really supported the second reading amendment which my colleague the member for Hunter has moved.

I propose to support the member for Hunter’s amendment, not in the indirect way the member for O’Connor did but in a very direct way, by saying that this House ought to condemn the government’s failure after 8½ years to produce a policy guaranteeing reliable, affordable and environmentally sustainable supplies of energy to all Australians. In the times we are living in, when we have a debate about energy, there is an elephant living in the backyard—and that is the issues of sustainable energy, renewable energy, greenhouse gas emissions and climate change. Unfortunately, this government has been in the business of ignoring the elephant in the backyard and trying to pretend that it simply is not there.

So great has been this failure, as evidenced last week in the government’s white paper on energy, that a series of groups came together last Friday for what they described as ‘a crisis meeting’ and then issued a communique. Those groups were the Australian Business Council for Sustainable Energy, the Australian Wind Energy Association, the Renewable Energy Generators of Australia, the Australian Conservation Foundation, Greenpeace and the World Wide Fund for Nature. With their membership, those groups represent more than 260,000 Australians and more than 350 companies as business representatives.

After this crisis meeting, those groups endorsed a communique concerning the Prime Minister’s energy white paper, saying that this ‘failed as a 21st century response to en-
energy security and climate change’. They concluded that the white paper contained no effective plan to cut greenhouse emissions, no long-term target to boost renewable energy and no long-term plan to control the spiralling pollution from the energy and transport sectors. They said:

... failure to increase the Mandatory Renewable Energy Target ... the only measure that drives industry growth for the renewable energy industry, defies international trends, is out of step with community expectations and signals the end of growth for the clean energy industry in Australia.

They made the point, as I and others have done many times in this place, that:

... climate change is arguably the greatest global challenge facing humanity in the 21st century. Climate change will have serious economic, social, environmental and health risks for Australia, including increased droughts, floods and bushfires, the loss of agricultural production ...

The point has been made to me by people such as Tim Flannery, since the white paper was put out, that the government had said, ‘We are doing this for farmers. We are doing cheaper diesel so you’ll be better off.’ But in fact the message for farmers and for agriculture is that, as a result of this government’s failure to tackle climate change and greenhouse gas emissions, ‘You will experience increased droughts’. It is not much good having cheaper diesel if you are not able to have the production to sustain your farm, livelihood and family as a result of increased and prolonged droughts. Yet that is the message the came out of the white paper last week. So we have the prospect of the loss of agricultural production and irreparable damage to our continent and places like the Great Barrier Reef, the snowfields, the biodiversity of the wet tropics and so on.

There is an emerging global scientific consensus that currently we have observable climate change caused principally by human activity and in particular the burning of fossil fuels for energy. The communique went on to say that renewable energy and energy efficiency technologies that are commercially available today are the ‘only proven solutions able to mitigate climate change now’. They discussed:

... the suite of renewable energy technologies available today for combating climate change and for the provision of clean, reliable energy for Australians. These include wind, solar, hydro and biomass amongst others.

They noted that wind and solar in particular are at comparatively early stages of their product life cycles but growing quickly, at a rate of 30 per cent per annum globally. Costs have been falling by around five per cent per annum, and many nations have already adopted aggressive measures to accelerate their uptake.

The group noted that the energy white paper provides for the systematic removal of excise duties on fuels including petrol and diesel, to give Australian society least cost access to these forms of fossil fuels, but that the failure to calibrate the broad environmental and greenhouse impacts resulting from continued and accelerated use of fossil fuel usage is outdated thinking and short-sighted policy making. This policy will ensure greater reliance on energy imports, which indeed exposes us to greater security risks in the years ahead, directly undermining renewable energy technologies, particularly off-grid applications, notably solar, and that this is contradictory to what the government claims to be its existing greenhouse policy strategies.

The group put together a clean energy action agenda. They talk about the need ‘to commit to a 60 per cent cut in greenhouse pollution by 2050’. That is the order of magnitude which they say is needed to avoid dangerous impacts of climate change, working to ensure that the political parties’ energy policies strengthen the mandatory renewable
energy target. Indeed, Labor has committed to increasing the mandatory renewable energy target to an additional five per cent by 2010. We are also moving to introduce effective regulatory measures that reduce the energy consumed by Australia’s families and businesses as one of the most cost-effective means of reducing emissions. The crisis communique and crisis meeting were necessary because of this government’s manifest failure to address the need for Australia to develop sustainable energy policies and curb our greenhouse gas emissions.

The Prime Minister was a bit agitated by the very negative public response that he got to the energy paper. I notice that he put opinion pieces in newspapers such as the *Age* and said, ‘We are on track to meet our Kyoto target, so things are okay.’ The truth is that the claim that we are on track to meet our Kyoto target of an eight per cent increase in greenhouse gas emissions is a piece of spin. It fails to mention that, if you take away land use change, land clearing and new plantation forests, greenhouse gas emissions have increased by 23 per cent over the 1990 to 2002 period, with electricity generation emissions increasing by 41 per cent and transport sector emissions increasing by 27 per cent.

Land use change is a one-off, get out of jail card concerning greenhouse gas emissions. Once net land clearing has been halted, the only way for Australia’s emissions to go is up. The government’s claim that we are on track to meet our Kyoto target depends totally on the one-off land-clearing change, which is equivalent to saying, ‘We’re going to balance the budget by selling an asset like Telstra.’ The Prime Minister would never accept that, but he tries this approach on when it comes to greenhouse gas emissions. The truth is that, without major changes to the approach to renewable energy and energy efficiency, after 2010 greenhouse gas emissions will rise steeply.

At the very time that the Prime Minister was making this claim about Australia being on track in relation to Kyoto we heard evidence that Australia in fact has the highest greenhouse emissions per person of all industrial countries. This came from the Australia Institute, which said:

... when measured on a comprehensive basis, the Australian per capita emission was 27.2 tonnes of carbon dioxide equivalent. In comparison the figure for the next big polluter, the USA, was 21.4 tonnes.

We are way above the next highest emitter per capita—the United States of America—and even further ahead of countries such as Germany, Russia, the UK, Japan and other industrialised countries. If you compare our record with that of the European Union, you will find that in fact the EU are on track to meet their obligations under the Kyoto protocol, but their emission levels are decreasing. Their emission levels decreased by 2.9 per cent in the latest year measured, 2003-04. It is clear that the European Union are taking this issue far more seriously than we are in Australia.

This government has failed to tackle climate change internationally, has failed to ratify the Kyoto protocol on climate change and has failed to contain greenhouse gas emissions. It has failed to implement the promises made by the Prime Minister in 1997 when he said that Australia believed that an international emissions trading regime would help minimise the cost of reducing emissions. The Prime Minister has gone back on that commitment and abandoned all work on emissions trading. The government has gone back on its commitment to increase the mandatory renewable energy target or produce a mandatory renewable energy target of two per cent.

That has been harmful for regional development. The government’s failure to lift the mandatory renewable energy target comes at
the expense, for example, of the sugar industry, which has a couple of representatives in the chamber now. The sugar industry has the prospect of increasing its markets through cogeneration projects, but that cogeneration of electricity depends on a higher renewable energy target than that which has been set by this government—the 9½ thousand gigawatt hours. If we are serious about supporting the sugar industry and the jobs that it provides, we would in this place be supporting a higher renewable energy target.

It is also the case that failing to lift the mandatory renewable energy target operates to the disadvantage of regional jobs in Victoria and Tasmania. The Ararat council, to its great credit, has spoken very strongly about this issue and about its desire to produce a renewable energy technology park, which is threatened by the government’s announcement last week. The Danish company Vestas has indicated that it is not in a position to proceed with its blade manufacturing plant, which had been mooted for north-west Tasmania. There was also discussion about the possibility of a blade manufacturing plant on the mainland. The company has indicated that it is not in a position to proceed in the absence of an increased mandatory renewable energy target and with the prospect of a wind energy investment cliff and no new projects coming on stream after 2007. The government has failed abjectly in this area. It has failed to get results from the spending on greenhouse gas abatement measures and it has failed to get a proper balance between spending to promote fossil fuel technologies and spending on renewable energy.

There are a number of things that we have pointed out in our second reading amendment which we see as flaws in the bills before the House. In relation to the trade practices amendment bill, we have pointed out that the government has failed to ensure that the Australian Competition and Consumer Commission must take public submissions into account; to honour its commitment not to introduce any new taxes by introducing an industry levy to fund the Australian energy regulator; to ensure that the Australian energy regulator is properly versed in environmental and greenhouse issues related to the supply and use of electricity; and to ensure that the Australian energy regulator is properly versed in low-income consumer and demand side participation issues. We have also pointed out in relation to the Australian Energy Market Bill 2004 that the government has failed to adequately provide for standing in relation to judicial review on these matters.

We are not proposing to pursue these matters as direct amendments to this legislation here or in the Senate. We understand that to do so would hold up bills which are intended to come into effect on 1 July and that we do not have much time to get this legislation right. That is a great pity. It seems to me that there are things that ought to be in this legislation that are not there at present. We signal, in putting forward this second reading amendment, that we think there are some areas which could be worked on and improved in these bills compared with what is presently there.

In making that observation, I want to commend the work of some of the community groups interested in the environmental impact of our energy policy and energy use which have looked at questions like the reform of energy markets and the impact on greenhouse gas emissions. For example, correspondence provided to the Prime Minister and others of us by David Butcher from World Wildlife Fund Australia, Jeff Angel, who is the Director of the Total Environment Centre, Catherine Fitzpatrick at Greenpeace Australia and Julie-Anne Richards from the Climate Action Network Australia sets out quite comprehensively the impact of energy
markets on greenhouse gas emissions and some projections about what growth in electricity demand might do in terms of greenhouse gas emissions. It also talks about ways in which the Ministerial Council on Energy might effectively deal with the question of greenhouse gas emissions and ensure that the operation of energy markets helps contain greenhouse gas emissions and meets the Australian and international need to tackle climate change rather than ignoring that elephant in the backyard. I want to commend their work in putting these matters forward.

I also want to commend the work done by the Total Environment Centre, which earlier this year put forward a publication, *Demand management and the national electricity market*, that I think offers considerable scope for improvement. That report suggests that establishing a demand management funding mechanism, testing the market for demand management prior to adopting network augmentation decisions and adopting the national electricity market changes to facilitate specific demand management opportunities will enable us to get better outcomes than we are presently getting. It goes on to say:

*Beyond the NEM—
that is, the national electricity market—
a number of actions are required to capture energy efficiency opportunities more broadly. For example, these include strengthening of mandatory energy performance standards for buildings and appliances, and energy efficiency programs for existing buildings and industry.*

I think a lot of good work is being done in this area. Regrettably, in the very limited time available, I do not think it will be possible to incorporate this kind of work into the legislation before the House. But I do want to signal to those who are interested in this issue that Labor in government would be examining these issues. *(Time expired)*

---

**Mr PROSSER (Forrest) (6.11 p.m.)—**

Today I speak in support of the *Australian Energy Market Bill 2004* and the *Trade Practices Amendment (Australian Energy Market) Bill 2004*. These two bills are part of the new national cooperative legislative framework for the Australian energy market. The arrangements have been developed on a collaborative basis with the states and territories and are pursuant to a new intergovernmental agreement, the Australian energy market agreement, being finalised by the Council of Australian Governments. The new national legislative framework has been endorsed by COAG and establishes new institutional and governance arrangements for the Australian energy sector. The Commonwealth legislation complements legislation which will be passed by state and territory governments over the coming months. These arrangements will improve the quality, timeliness and national character of the energy market.

In December 2002, COAG’s independent review of energy market directions was released. The review identified a number of strategic issues for the Australian energy market and potential policy responses required from all governments to deliver an effective and competitive energy market. On 11 December 2003, the Ministerial Council on Energy finalised a comprehensive response to the COAG review. This report sets out major policy directions for the Ministerial Council on Energy’s national energy market reform program and was endorsed by COAG in April 2004.

The *Australian Energy Market Bill 2004* provides the means and framework for the Commonwealth to adopt relevant energy laws of state and territory jurisdictions as laws within the jurisdiction of the Commonwealth. These laws include the national electricity law, the National Electricity Code and regulations, as well as any other energy law that the Commonwealth identifies through
regulations under the act. This arrangement will enable the electricity market rules to apply consistently across all participating government jurisdictions. Legislation will need to be passed in all jurisdictions to implement these governance arrangements.

The energy reforms provide for the establishment of two new bodies. The Australian Energy Regulator will be established by the Commonwealth through the accompanying bill and will enable the number of energy regulators to be rationalised. The Australian Energy Market Commission, the AEMC, will be established by South Australian legislation. The AEMC will be responsible for rule making and market development. The Trade Practices Amendment (Australian Energy Market) Bill 2004 establishes the Australian Energy Regulator as a constituent part of the ACCC and also as a separate legal entity. It establishes the Australian Energy Regulator as a body corporate comprising three members: a Commonwealth member, who is also an ACCC member, and two state or territory Australian Energy Regulator members.

On commencement, the AER will have responsibility for the economic regulation of wholesale electricity and transmission networks and key rule enforcement functions. It will undertake the regulatory and enforcement functions previously exercised by the ACCC and the National Electricity Code Administrator under the national electricity laws and the National Electricity Code. It is intended that the AER will assume responsibility for gas access arrangements by 30 June 2005. Further, all governments have agreed that the AER will be responsible for the regulation of distribution and retailing by 2006, following the development of an agreed national framework.

The Parer review, commissioned by COAG, found that the current multiplicity of regulators creates a barrier to competitive interstate trade and adds costs to the energy sector. There are currently 13 regulators operating across every layer of commercial activity. The federal government has worked with the state and territory governments to achieve a reform package that will see a significant reduction in the regulatory burden facing market participants and investors in the energy sector.

To streamline and improve the quality of economic regulation, lower the cost and complexity of regulation facing investors and enhance regulatory certainty, all governments have agreed to establish a single, national energy regulator—the Australian Energy Regulator. The Trade Practices Amendment (Australian Energy Market) Bill 2004 seeks to implement this agreement. The bill also incorporates amendments that will facilitate the streamlining of the code change process and any subsequent process relating to access or authorisation under the Trade Practices Act 1974.

The Parer review also found that the process for making changes to the National Electricity Code is complex in both its conception and the way in which the system has worked in practice. These two bills will facilitate the streamlining of these processes. In Australia the energy sector is a $100 billion industry. An open, efficient and competitive national energy market encompassing both electricity and gas is critical to our future economic prosperity. The energy sector has estimated that investment of some $37 billion will be required over the next decade to meet Australia’s energy needs. Investment of this scale requires a clear policy framework, which has now been created.

Energy plays a vital role in the Australian economy and contributes significantly to our international competitiveness. Industry depends on reliable, secure and competitively priced energy to underpin its investment de-
cisions. Australia’s electricity and gas prices on the east coast are among the most competitive in the developed world. It is important to Australia’s competitive position in this area that we pursue the required energy market reforms. The arrangements in this legislation pave the way for the establishment of a truly efficient, competitive Australian energy market. These measures put into action the energy white paper released by the Prime Minister early last week and provide the biggest boost in years for renewable energy technologies—and they do this without dampening economic growth and imposing heavy costs on families and businesses.

It is a plan for the future that is a balanced, realistic and responsible response to the long-term challenge of providing the energy Australia needs in an environmentally responsible way. The Howard government is experienced enough to recognise that a growing economy will create even greater demands for energy. **Securing Australia’s energy future** is a forward-thinking and balanced plan that addresses Australia’s biggest energy challenges. It includes measures to increase the profitability of our export industries, the security of our energy supplies and the affordability of energy for consumers. It will help Australia’s contribution to tackling the greenhouse effect by making traditional energy cleaner while accelerating the development of alternative energy sources. By traditional energy I refer to fossil fuels, which Australia has in abundance.

The highlights of this package include major fuel excise reforms. Starting on 1 July 2006 and concluding on 1 July 2015, the fuel excise system will be modernised and simplified and will effectively remove excise from off-grid power generation. About $1.5 billion in excise liability will be removed during the period to 2012-13, benefiting many thousands of regional businesses and households. The application of excise will be extended to all fuels, including petrol and LPG, and means that businesses will have access to credits for petrol used in on-road heavy vehicles weighing more than 4.5 tonnes gross vehicle mass. All fuels used off-road for all business purposes will effectively become excise free.

The package also sets aside a $500 million fund to investigate and encourage investment in cleaner traditional energies under a program of clean coal technology and technology for renewable energies, as well as $134 million to support the commercialisation of newer, renewable energies. We need to look at ways to maximise cost efficiencies in utilising coal for power generation and also to encourage methods that minimise emissions, such as the geological sequestration technologies that would inject emissions back into deep geological reservoirs some two to three kilometres below the ground, where they would be permanently trapped.

Between 1990 and 2002, the Australian economy grew by 47 per cent, while greenhouse emissions grew by just 1.3 per cent. By producing our wealth more efficiently and with these new measures, Australia will meet our targets as set by the Kyoto treaty. The Prime Minister is right not to sign this treaty that will disadvantage Australia. This is because high greenhouse gas emitting, less efficient countries, such as China, Indonesia and Brazil, are not placed under any obligations to clean up their own act. Consequently, Australia would risk losing out on export opportunities to less environmentally responsible countries, thereby costing Australia jobs and potentially delivering a worse result for the world’s environment.

I remind the House that every 28 months China puts in place new power generation capacity equivalent to the whole of the Australian system, and that is predominantly coal-fired. For Australia, energy market re-
form is not only an issue of national interest; it is a matter of international competitiveness and investment attraction. The Howard government’s delivery of a practical, forward-thinking plan for energy, compared with the Labor Party’s and the Greens’ obsession with tokenism, demonstrates a clear contrast between experienced, forward-thinking leadership and the irresponsible political opportunism of our opponents.

The white paper maps out a path to a sustainable energy future for coming generations based on the best technology available to make Australian coal power generation amongst the cleanest in the world and the most cost effective while fostering renewable energy sources for greater energy efficiency. Our current use of coal for electricity generation represents some 53.2 per cent from black coal and 23.2 per cent production from brown coal. This energy strategy confirms that Australia has an abundance of coal and our energy future will primarily rely on coal for its base load power generation capacity into the foreseeable future. We currently do not have enough water for hydro-electric schemes, nuclear power is not an option and renewable energy cannot supply the base load requirements for everyday living and business needs at competitive rates. I believe coal should be utilised for our developing Australian economy and I also believe my electorate in the south-west of Western Australia will benefit from such a great strategy.

The Western Australian state government should have committed to a new 300-megawatt base load power station some three years ago to enable them to cope with growing energy demands. Even if they made the decision today, we would not see the additional base load power station come online for at least another three years. With the growth of my electorate in the south-west of Western Australia, business and community sectors simply cannot wait that long for governments to sit on their hands and not make vital infrastructure investment decisions that can influence and encourage growth and economic expansion in the region.

I must also say again that I believe this is good news for the south-west of Western Australia and the town of Collie, in particular. I only hope the state government will acknowledge the logic and practicalities of using our coal reserves for the foreseeable future and commit to the development of an additional coal-fired base load power station for Collie. Even Collie representatives stepped up their push for additional coal-fired base load power recently by taking their concerns to the state government. I agree with Bruce Roberts, the President of the Shire of Collie, when he voiced his concern over the possibility of future power cuts in urging the state government to choose coal for the next base load power station. This month, he said:

We don’t want people and businesses to have to worry about the quality and continuity of electricity supply as population and industry expands in the South West and we do not want to resort back to the old days of stockpiling candles and torches. But that is what it may come to if the state government does not choose coal for the next base load power station.

My constituents and the commercial and industrial sectors agree with me when we say to the state government that, without a coal-fired power station, the state, Collie and the south-west will suffer and the likelihood of more power cuts in Western Australia in the future will increase.

There is a genuine consensus that Western Australia would be better placed to avoid repeats of the February 2004 blackouts if more coal base load power was brought online to improve the power mix. I am delighted with the federal government’s statement on energy confirming the focus on coal in the foreseeable future and I sincerely hope
this will encourage the state government to choose Collie coal for power generation that would help provide Western Australia with improved electricity reliability and also incorporate clean coal technology. However, I note that a report in the *South Western Times*, the local newspaper, on 10 June 2004 only confirms what most of us already knew—that the incompetent state government and its power utility, Western Power, are more than 15 months behind in their initial timetable in selecting the successful bidder for the next base load power station in the south-west. The preferred bidder will not be identified until September 2005, which will mean a base load power station will not come on stream until 2008 at best.

Although the report stated that a base load power station could physically be built in that time, the difficulty is that the state government has left no time for licensing or approval requirements by state government agencies. Apparently, approval for the Kemerton gas-fired power station took six weeks and yet the Western Australian Environmental Protection Authority has quoted one proponent a 12- to 15-month time line to get the approvals for a coal-fired power station.

There is a view that there are fewer emissions from gas than there are from coal. That is not necessarily true. The Howard government’s energy policy is a big win for future low-emission technologies. The choice for Australia’s future as far as energy is concerned is not between renewable and traditional energy sources such as coal; the choice is between low and high emissions. You can have both renewable energy and traditional energy sources but, as far as our environment is concerned, we have to reduce emissions. For Australia, it is a matter of commonsense that we are going to rely predominately on coal, gas and oil for the foreseeable future. This government cares about the environment and it proposes to reduce emissions coming from the use of these energy sources.

Even the most enthusiastic proponents of renewables acknowledge that there is now an enormous cost disadvantage in relation to renewables and the only way we can more rapidly bring renewables into greater use is to impose very heavy cost burdens on industry, which would damage our economy overall. What the Howard government has sought to do with this statement is to recognise the need to reduce greenhouse emissions, to fast-track technologies in coal, gas and oil and, at the same time, to provide additional financial incentives in relation to renewables so that we are creating opportunities and not, in effect, putting aside the enormous natural advantage we have in coal and gas. The establishment of the Australian Energy Regulator as a body to facilitate future consistencies in the electricity market and with the power to implement rules and regulations is essential. These bills are extremely important to energy market reform in Australia. They point to the cooperation between the states and the Commonwealth in an unprecedented way in the energy market reform process. I commend the bills to the House.

**Mr ORGAN (Cunningham)** (6.29 p.m.)—I welcome the opportunity to speak on the *Australian Energy Market Bill 2004* and the *Trade Practices Amendment (Australian Energy Market) Bill 2004*. I should say at the outset that the Australian Energy Market Bill might be better titled, ‘Protecting Big Coal Companies’ Profits at the Expense of Future Generations Bill’, because that is effectively what it does. In his second reading speech, the Minister for Industry, Tourism and Resources told us:

The arrangements in this legislation pave the way for the establishment of a truly efficient, competitive Australian energy market.
He also told us that these measures put into action the energy white paper, released by the Prime Minister last week. I will speak about some of the issues inherent in that white paper a little later.

First, let me turn to the question of a truly efficient, competitive Australian energy market. The minister’s remarks and this legislation are predicated on one form of energy in particular at this stage—and we have just heard that from the previous speaker—and that form of energy is electricity, generated largely, as members will know, by coal-fired power stations. After spouting self-evident truisms about the vital role which energy plays in the Australian economy and industry dependence on secure, reliable and competitively priced energy, the minister told us:

Australia’s electricity and gas prices are among the lowest in the developed world.

He went on to say:

It is important to Australia’s competitive position in this area that we pursue the required energy market reforms.

So there you have it, Mr Deputy Speaker Adams. We need energy market reforms to establish a truly efficient, competitive energy market because our electricity prices are among the lowest in the developed world. And how are we going to do that? If this legislation puts the Prime Minister’s energy white paper into action, the answer would appear to be by continuing to burn coal to generate electricity. I say that because there is nothing in this legislation about renewable energy, nothing at all. And the much vaunted white paper does not have much about renewable energy either. In fact, the spending on fossil fuel options is something in the order of 32 times the amount being invested in renewables. I use the word ‘invested’ advisedly, because spending on renewable energy is an investment—an investment in the future.

Spending on fossil fuels, on the other hand, simply goes into the pockets of the owners of the massive multinational cartels which control the mining and sale of coal and the pumping and refining of oil and natural gas. This government has a blind spot when it comes to the advantages of renewable energy. The government seems not to understand that Australia is the biggest greenhouse gas emitter per capita on the face of this planet. Eighty per cent of our electricity comes from burning coal; indeed, 24 coal-fired power stations pump out around 170 million tonnes of carbon dioxide every year. Coal-fired power stations are the biggest single source of greenhouse gas emissions in this country. It is not a pretty picture, is it? And here we are in the 21st century going for more of the same.

Confronted by information like this, a reasonable person would surely conclude that our government would be pushing hard for renewable energy sources, but it is not. Rather than legislating for an increase in the mandatory renewable energy target—the MRET—like Britain, Germany and even California have done, this government is putting its faith in what the Prime Minister called ‘geostration’, when he launched the energy white paper last week. It beggars understanding: not renewable energy, but geosequestration—a technology which is unproven at this point and which cannot be retrofitted to existing coal-fired power stations, even if it proves to be a practical and cost-competitive technology at some future time.

It may even be a technology which will never be feasible. That is certainly the fear of Lord Oxburgh, the chairman of Shell, one of the world’s biggest oil companies. He is reported in Britain’s Guardian newspaper as saying:

Sequestration is difficult, but if we don’t have sequestration then I see very little hope for the world.
No one can be comfortable at the prospect of continuing to pump out the amounts of carbon dioxide that we are pumping out at present ... with consequences that we really can’t predict but are probably not good.

You probably have to put it under the sea but there are other possibilities. You may be able to trap it in solids or something like that.

The timescale might be impossible, in which case I’m really very worried for the planet because I don’t see any other approach.

He is not alone. This is what Greg Bourne, the former regional president of BP Australasia, who now chairs Sustainable Energy Authority Victoria, told the ABC’s PM last Friday in response to a question about geosequestration from the smoke stacks of coal-burning power stations:

Very much harder, and indeed, basically, to try and capture the gases from the smoke stacks of existing power stations such as we have here in Australia is just far too expensive, it really is far too expensive to try and do that.

Mr Bourne says that there are three things which the government should be doing:

Certainly one is looking at ways to reduce emissions from fossil fuel generation, and part of that will include the transition to combine cycle gas turbines, for example, because gas is so much cleaner.

The second part, without doubt, is stimulating the renewables and the zero emission energy sources.

And the third one is an economy-wide drive on energy productivity.

I would ask honourable members to bear in mind that a 1,000 megawatt coal-fired power station built today would emit around 260 million tonnes of carbon dioxide over a 40-year life. I would also draw the House’s attention to the cover story in *Chemical and Engineering News* of 23 February this year titled ‘Getting to Clean Coal’. You see, as in so many of this government’s initiatives, our continuing reliance on coal-fired power generation treads a path blazed by the Bush administration in the United States. President Bush is a big backer of coal—and why would he not be, with the US sitting on 250 years of coal reserves—and he is also championing geosequestration. His problem, according to *Chemical and Engineering News*, is that US coal-fired electricity generating companies are powerful and conservative, and the coal they burn is so cheap that even the poor efficiency of that country’s ageing power plants does not make much difference.

A health study in the United States has estimated that 20,000 premature deaths a year could be avoided if all coal-fired power plants reduced their emissions by a technically achievable 75 per cent. The Bush administration’s Clean Skies Initiative, which goes a long way to meeting that goal, has stalled in the congress—and that, according to analysis by *Chemical and Engineering News*, has prompted President Bush to rejuvenate a federal research and development program for clean coal. Sounds familiar, does it not? Perhaps it is a bit like Securing Australia’s energy future.

It is not as though there are not other energy generating technologies available to us. The University of New South Wales and the ANU have taken solar cell technology to efficiencies undreamed of 10 years ago. In my own electorate of Cunningham, Energetech is developing a generator powered by wave action. The wave energy optimisation project has won a $1.2 million research and development grant from the government’s AusIndustry R&D Start grant scheme. The prototype, which will generate enough power for 500 homes, is already under construction.

There are already current proposals to generate electricity from air currents caused by the sun’s warming. The EnviroMission proposal for a solar tower at Buronga in Wentworth Shire in New South Wales has
already won major project facilitation status from this government for a 200 megawatt generator which relies solely on the effects of solar warming. Honourable members should have a look at the EnviroMission website at www.enviromission.com.au and perhaps familiarise themselves with this remarkable $800 million project, which is estimated to provide 2,700 jobs in the construction phase and to provide clean power for 200,000 households.

These emerging technologies do not come cheap, but once the capital cost is met, the energy they produce is free and clean, and the Australian people already have an investment in them. But let us go back to geo-sequestration for a moment. Keith Tarlo from the University of Technology Sydney’s Institute for Sustainable Futures delivered a paper to the Towards Zero Emissions conference in Brisbane in July last year which compared the roles of coal and sustainable energy in reducing greenhouse gas emissions. This is what he concluded:

Overall, coal with geo-sequestration faces identifiable risks that:

Energy from coal with geo-sequestration will be more expensive than sustainable energy;

Emission reduction from coal with geo-sequestration will be more expensive than the prevailing price of permits to emit carbon dioxide;

Projects using advanced coal technologies will have higher carbon dioxide emissions than a conventional coal plant, and so will have higher carbon-related costs, if geo-sequestration is not viable;

Advanced coal technologies like Integrated Gasification Combined Cycle will continue to have operational and reliability problems;

The new environmental risks that geo-sequestration creates will have unacceptable likelihoods or consequences; and

Geo-sequestration will have limited effectiveness in reducing the growth in greenhouse gas emissions due to its limited sectoral application and poor source to sink matching.

A prudent response to these identifiable risks is to diversify. From the perspective of the investor in long-lived energy assets, the prudent response would be to diversify investments to include sustainable energy investments. From the point of view of the policy maker with the aim of long-term mitigation of climate change, the prudent response would be to avoid picking coal with geo-sequestration as a winner and to diversify the government’s policies, research and development and commercialisation priorities and international collaborations to give renewed priority to sustainable energy.

I repeat: ... the prudent response would be avoid picking coal with geo-sequestration as a winner and to diversify the government’s policies, research and development and commercialisation priorities and international collaborations to give renewed priority to sustainable energy.

Giving renewed priority to sustainable energy is a view which the Greens obviously endorse. That is why we will be moving to increase the mandatory renewable energy target. The government’s energy white paper is a deeply flawed document. Some of those flaws have been imported into the legislation now before us, but they are not the only troubling issues with the Australian Energy Market Bill. The mechanism of recognising a South Australian act in Commonwealth law, rather than introducing it as a Commonwealth act, is constitutionally dubious. The Commonwealth parliament is effectively ceding power to the South Australian parliament. Regulations introduced in the South Australian parliament cannot be disallowed by the Commonwealth parliament; only the government, not the parliament, can change the law—through the Ministerial Council on Energy.

The legislation before us is deeply flawed and must not be passed in its current form. As I have shown, the rationale for its intro-
duction is dubious. The government is again acting with unseemly haste for reasons which it is clearly unwilling to disclose. I have therefore no option but to reject the legislation in its present form and to urge other honourable members to do likewise.

In closing, I would like to briefly comment on some of the comments made by the previous speaker, the member for Forrest. He mentioned ‘fossil fuels, which Australia has in abundance’. I would caution all members of this House that fossil fuels are not going to last forever. Oil, natural gas and coal are not going to last forever. In Cunningham we have rich coal reserves. I know, as I said, that they are not going to last forever. We need to look at alternatives, not only because of the so-called dirty aspects of fossil fuels—greenhouse gas emissions and other problems with them—but because they are going to run out sooner rather than later. It is in the national interest to look towards renewable energies.

The member for Forrest also stated that geosequestration would permanently trap gases underground. That is yet to be proven. I have read reports expressing real fears that material pumped underground could leak and cause damage to the environment and to people, for example. The statement that geosequestration is going to permanently trap all of those gases cannot be given as definitive in this place.

The member for Forrest also talked about using fossil fuels in the foreseeable future. I would have liked to have seen some sort of precise figure put on that. How long is the foreseeable future? We should be really concerned with how long our fossil fuel reserves are going to last in this country. They are not going to last forever. I remember when I did geology at the University of Wollongong back in the early eighties. The professor of geology there had made calculations about the long-term viability of our coal industry and how long some of the reserves are going to last. I am sure if the government carried out a bit of research they would be able to find that some of those predictions are out there. Foreseeable does not equate to forever.

There is no doubt that the government’s direction in supporting the coal and fossil fuel industry above renewable industries is not in this country’s national interest. It is short-sighted. They need to reject legislation such as this and turn towards renewable energy sources for the long-term future of this country.

Mr KATTER (Kennedy) (6.44 p.m.)—We must consider what options are available to Australia. What is by far and away the cleanest form of energy—easily—is by far and away the most dangerous form of energy: the breeder reactor. I am not going to take up the time of the House going into why it is by far and away the cleanest; but I do not think that anyone, in our age of terrorism, would seriously consider going to a breeder reactor, which produces weapons grade plutonium that can be used to make bombs.

With regard to solar energy, with all due respect I happen to be one of the experts in this field. My department won the prize for science in, I think, 1987. We put the first stand-alone system in the world on Coconut Island in the Torres Strait. It was a little town—a village, if you like—of about 100 to 200 people on an island. On an outlay of $25 million it worked out $5 million cheaper on a 20-year life cycle to use solar energy for the Torres Strait rather than diesel powered energy.

At the time, the world head of GE rang me as minister in Queensland and said that they would like to secure this contract. I said, ‘Yes, you may be able to secure this contract.’ It was a pilot plant on Coconut Island,
which had 100 to 200 people. There were about 4,000 people on the Torres Strait Islands that would have been covered by the whole development. We said, ‘If you purchase our silicon sand from Shelbourne Bay and upgrade it into high-tech silicon, we will be only too happy to deliver to you the contract for the Torres Strait.’ Australia would then have been the world leader in the delivery of solar energy based technology. We were pretty much up around the leaders at this time.

After we completed the pilot plant and we did the assessments—and the assessments were done continuously on a recorder that flashed up to a satellite and then back down to an office in Brisbane—it was found that it was not $5 million cheaper; it was $8 million cheaper if we mixed in a bit of wind. In North Queensland, when the sun does not shine and it is raining it is also the time we have a lot of wind. That is during our monsoonal season. It was going to be $8 million cheaper.

One of the great tragedies for our country is that we export high-tech silicon. I am quoting figures from the late eighties but you can rest assured they will be much the same now. We exported high-quality silicon from Cape Flattery and other places in Australia for $55 a tonne. We imported that silicon back into Australia for $3 million a tonne as optical fibre product. There has to be something seriously wrong in a country that exports a commodity for $55 a tonne and then buys it back for $3 million a tonne. The price for optical fibre has dropped dramatically, to about $300,000 a tonne. But the silicon still has a $55 a tonne export value and a $300,000 a tonne import value. If you want to know why your country has a $46,000 million trade deficit, look no further than Cape Flattery and Shelbourne Bay.

When we attempted to proceed with the project at Shelbourne Bay we were hit by native title claims, which we worked our way through with the Aboriginal Australians concerned. But we did not work our way past the greenies, who were financed for their helicopter flight by none other than—we cannot prove this but it has never been denied—Mitsubishi, who owned the Cape Flattery deposits. They succeeded in having a ban put over the Shelbourne Bay silicon sands, which were blowing out into the ocean. In 100 years not a single grain of it will be left.

So the country lost a resource—100,000 tonne a year at about $20,000 or $30,000 a tonne—worth about $2,000 million or $3,000 million a year to this country. It would have given us the base commodity—high-tech silicon—from which we could have built photovoltaic cells for solar energy, optical fibre, information retrieval and storage systems and silicon chips. All of those industries would have been available to us. But this place lacks a policy called developmentalism. You, Deputy Speaker Adams, being from Tasmania, would understand the necessity for that. We people in North Queensland—an area similar in size to your own region and similarly isolated—appreciate the necessity for that sort of approach in government. But quite frankly it is needed just as much in a Sydney or a Melbourne as it is in North Queensland or Tasmania.

The other alternative is wind generation. I love wind generation. It is one of the biggest tourist attractions in my electorate. Once again, we had the biggest wind farm—I think there is one a bit bigger than ours now—in Australia, at Ravenshoe. It is a magnificent tourist attraction. It is moving up to 23 windmills and they are producing about a megawatt each, so we get about 22 or 23 megawatts of electricity from there. But let us get
this into perspective: North Queensland requires 1,000 megawatts of electricity, not 23 megawatts of electricity. So while they are a wonderful thing and we applaud them greatly, they are not really an element of a serious effort by government to produce the energy requirements of Australia.

With regard to hydroelectricity, we have probably one of the best sites in Australia, the Tully Millstream site. But the cost of producing electricity from that site is about 12c a kilowatt hour. I as the Queensland minister for mines and energy gave them a warning order to use that site for pump storage, which is where you pump the water up late at night when no-one is using their electricity and drop it the next morning. It was the biggest power station in Australia. It was owned by the Snowy Mountains. It is the biggest producer of electricity in Australia. It buys electricity—or it used to—at about 2c a unit and sells it at about 4.5c a unit the next morning at peak hour. A price of 12c a kilowatt hour is too high. Anything over 3c a unit is not in the ball game. Look at your options: a breeder reactor, solar energy, wind and hydro. The options are not there. The only option that you get back to is the coal option.

I am not an expert in gas-fired power stations but I know that our main power station in Northern Queensland—I think it has a capacity of 400 megawatts—produces at about 6c a unit. It is ridiculously expensive. Nobody is going to buy it. It is obviously put there as an emergency plant to provide peak load power, and it is not peak load power that we require in North Queensland.

In the days of my youth I was an expert in another field: bag house technology, which is not really a technology at all. You simply pushed the emission gases through some velvet bags—which might be as high as the ceiling here, and there might be 100 or 200 of them hanging down from the ceiling—and the gas was captured by the bags. Another person and I created the record for stripping the bag house at Mount Isa mines in the days of my youth as an unskilled labourer. If you combine the bag house with an electrostatic precipitator, you will take out 99.9 per cent of the particulate matter, which is also an element of motor vehicle emissions—which the government has done absolutely nothing about, of course. We know that particulate emissions are killing people. So you can virtually remove that problem altogether with a bag house and an electrostatic precipitator.

Having said that, we come to the more vexed question of CO2 emissions. We have the coal gasification combined cycle plant, which removes the nitrogen problem. The problem with geosequestration—which was discussed by a previous speaker, and we respect him greatly—where you pump the CO2 underground and it is trapped underground, is that if you have just a conventional coal-fired power station then the air is 80 per cent nitrogen. So you have 80 per cent nitrogen that you have to pump under the ground for only a small amount of CO2 that you are trying to sequester. It is just not commercially viable. However, if it goes through a coal gasification combined cycle plant, where you reduce your coal to carbon monoxide plus hydrogen then your emissions are almost totally CO2 and you can justify commercially pumping this stuff underground.

The next power station to be built in Queensland will be at Kogan Creek. It is an advanced, supercritical power station—that is the technical name for it—and it professes to have technologies that significantly reduce the amount of CO2 going into the atmosphere. I am sure that they are not the sort of figures that would please most people if they were trying to meet our Kyoto protocol obligations.
As minister, there was no doubt in my mind where we wanted to travel in Queensland. One-quarter to one-third of the housing in Queensland was government housing—in one way or another it was government housing. If 25 per cent of those houses had applied to their rooftops a solar energy heating system which was purchased with government contractual arrangements and the price was included in the rental of the houses, because the people living in those houses would not have to pay so much for their electricity—it was going to be cost neutral for the people occupying those houses—and because 40 per cent of domestic consumption of power is used to heat water, we could eliminate a high proportion of the consumption of that power. So we were looking at a reduction of maybe 10 or 15 per cent in the amount of power required in Queensland simply via the use of solar hot water systems. In the northern half of Queensland, of course, the sun shines for nine or 10 months of the year—you never see a cloud until the monsoon season starts—so this method is particularly effective there.

Having said those things, there is the issue of planting trees. I cannot see why a government, state or federal, would shy away from this option. If we are looking at a baseload power station of 600 megawatts for North Queensland, I would argue that we need 50,000 hectares of trees. There would be those who would argue that we need 100,000 hectares of trees. But, whether we need 50,000 or 100,000 hectares, this country is now importing $4,000 million of timber product a year. It sure would be nice if we produced some of this timber product ourselves.

I rang the 12 or 15 major timber outlets in North Queensland and asked them about the price of Australian hardwoods. There was not a single person on their staff who could ever remember in their lifetime selling Australian hardwood timber. It has been off the market for so long. We no longer produce our own hardwoods. There is African mahogany or Brazilian F1, which, I deeply regret to say, is a combination of *canaldulensis* and *grandis*, both Australian eucalypt trees—gum trees, if you like. They were mixed together by the Brazilians. The F1 is the fastest growing tree in the world. So, whether you are using F1s or African mahoganies, you have a sequestration sink for the CO₂ that is being emitted at the present moment.

As I have said many times in this place—and as you are well aware, Mr Deputy Speaker Adams, with your generosity in coming to North Queensland—the gulf streams have six times more water than the Murray-Darling system. So, whilst we are trying to jam 54,000 farmers onto the Murray-Darling, our country is so enlightened that we have 12 farmers on the gulf river systems, with six times more water and maybe twice as much arable land. We have a blacksoil plain—it is about 600 kilometres wide—that stretches for 1,200 kilometres, from Blackwall all the way up to Normanton and Burketown, so we do not have a great deal of difficulty.

And if you are worried about taking out the native trees, seven million hectares of that plain is taken up by the most dreadful pest, the prickly acacia—a prickly tree that has taken over and destroyed all of our native flora and fauna throughout that area. Wouldn’t it be a wonderful thing if we had enlightened government—state and federal—and they said to us, ‘Maybe we will put a couple of hundred thousand hectares there under trees, using this water that is running away every year’? For those who are worried about some damage to the environment, our rivers run at a huge flood for the first four or five months of the year. You will never stop that flood, no matter how many
dams you build. That will never, ever stop that flooding. Late in the year, those rivers do not run at all. So all we are talking about here is our floods being maybe three feet lower than they are at the present moment. There is something terribly wrong in our country when this giant resource of the Gulf of Carpentaria, with that massive black-soil plain and its massive water resources, is totally unutilised and runs to waste every year.

More immediately, north-west Queensland has the biggest and richest mineral province in the world. It is producing—right at this very moment, as we speak—pretty close to $4,000 million a year of mineral production. In the last mine to be opened, they decided simply to take the reserves home without processing them at all. They are just taking the ore home without processing it at all. And why are they not processing it? I ask the question: why has the zinc refinery in Townsville, which announced it was going to double in size, not doubled in size? Why is this processing not taking place? Why are they taking home these metals unprocessed?

The answer to that question is that we have no base load power in North Queensland. In fact, we are 150 megawatts short, right at this very moment, and we have a most unreliable system in any event. And since the power that we already have is brought 1,000 kilometres, arguably 2,000 kilometres, from the south of Rockhampton to North Queensland—we lose 20 per cent on the way—we have some of the most expensive electricity in the world to process the greatest mineral province on Earth. So—surprise, surprise—people are deciding not to process it. They are deciding to take it home. So we can continue to produce our standard $55 a tonne from Cape Flattery and then buy it back in at $300,000 a tonne, because there is no base load power where it is needed—where this huge minerals resource, probably the best in the world, exists. Most of Australia’s aluminium resource is also based in the Gulf of Carpentaria. It has to be put on a ship and taken all the way to Gladstone to get to a power station to be processed.

I am very worried about this deregulated system. It collapsed in New York: the lights went out. It collapsed in California: the lights went out. It collapsed in England: the lights went out. It collapsed in Western Australia: the lights went out. And here we are with a unanimous decision of Australian governments to impose that system upon Australia. I spent some years doing economics at university. It did not teach me much and they booted me out anyway before they gave me a piece of paper, but I did learn enough to know that, if you have a shortage of supply and that shortage of supply is communicated to the market, the market will respond with high prices which will send a signal for you to increase supply. What happened in the United States and California? Read the books on Enron. Everyone in this House should read the books on Enron, because, when they found that out, the companies decided that they had to do a lot of maintenance on their power stations, and on the power grid the supply of power dropped clean in half and the price went up a hundredfold. They were paying for their power 30 and 40 times what we were paying in Australia. Surprise, surprise: it did not communicate a message that they should build more supply; it communicated a message to throttle the supply so that they could get more money for less cost input. (Time expired)

Mr IAN MACFARLANE (Groom—Minister for Industry, Tourism and Resources) (7.04 p.m.)—I thank honourable members for their contribution to the debate on the Australian Energy Market Bill 2004 and the cognate bill. I particularly thank the Chair of the House of Representatives Standing Committee on Industry and Resources,
the member for Forrest, who spoke earlier when I came into the House. The member has done a huge amount of work, not only in the energy area but of course in what is now euphemistically known as the Prosser report on mineral exploration in Australia and the impediments to it.

There has been much said on this legislation. I will just say that energy is an issue which is incredibly important to Australia. It underpins our economic growth. It ensures that we as Australians enjoy a high standard of living. With this bill, we as a government want to ensure that that prosperity and that economic growth continue. I have noted some comments that have been made by various speakers, but in the interests of time I shall not reply to them all in detail—although, in response to the member for Kennedy, I will say that a power station in Townsville for North Queensland and for the mineral province is something which Queensland and Australia absolutely and definitely need. The availability of low-cost energy for resource development is of course, as I have said earlier, the key to the economic development of this country.

I note that, in his speech, the shadow minister for energy and resources has moved amendments. In moving the amendments, the shadow minister has failed to acknowledge the detailed briefing that he has had. If he had both acknowledged and understood that briefing, the amendments simply would not be here. I will come to them in a moment. If he did not want to have a detailed briefing or another briefing from my department, all he had to do was talk to his relevant equivalents in state governments—that is, the ministers for energy—who have been intimately involved in the development of these bills. Their support for these bills is absolute and unanimous.

In the first part of one of the member for Hunter’s amendments, he suggests that the government should be condemned for:

(1) failing to ensure the Australian Competition and Consumer Commission must take public submissions into account.

Under this bill, of course the ACCC will take into account all relevant matters, including those of public submissions. So obviously the government will oppose that.

The second part of the amendment says the government should be condemned for:

(2) failing to honour its commitment to not introduce any new taxes by introducing an industry levy to fund the Australian Energy Regulator.

There is nothing in this bill—absolutely nothing—in relation to raising a new levy through this bill. This bill does not introduce a new levy. This bill is about establishing the AER, the AEMC and energy market reform, but it does not have taxation implications. Were it to have that, I am sure the Treasurer would be presenting the bill.

The government will oppose the third part of the amendment, which suggests that we are:

(3) failing to ensure the Australian Energy Regulator is properly versed in environmental and greenhouse issues related to the supply and use of electricity.

Again, it displays a breathtaking lack of understanding of the role of the AER. As a body it will ensure the enforcement of all laws, both state and federal, and in particular the EPBC Act and relevant state environmental legislation.

The fourth part of the amendment relates to the Australian government:

(4) failing to ensure the Australian Energy Regulator is properly versed in low-income consumer and demand side participation issues.

The ACCC is by nature the consumer watchdog and will ensure that the low-income con-
sumer is protected by ensuring competition. The surest way of ensuring low-cost energy in Australia is to ensure that there is fair and open competition, not electricity or energy prices that are set at the whim and behest of state treasurers who want to see their state budgets propped up to allow them to spend money in other areas. I do not condemn any political party in saying that; I condemn the state governments, plural, and of both political persuasions in saying that. The MCE is clearly working on demand side issues.

There has been some comment, I understand—although I was not able to see all of the debate—on the energy white paper released by the Prime Minister last week. That energy white paper is a significant and extraordinary balance between ensuring that Australia continues to have world competitive, low-cost energy and, at the same time, addressing the environmental concerns in relation to continued energy production growth. Under that proposal, there is in excess of $600 million, almost $700 million, available. The sum of $635 million is available to the renewable energy sector. Of that, exclusively $134 million is available to the renewable energy sector and, on top of that, exclusively for the renewable energy sector as it relates to solar energy, an extra $75 million will be available in terms of enhancing solar technology and technologies associated with solar technology.

It is a highly significant package in anyone’s terminology. The $500 million low emissions fund, which, as I have just said—and which needs to be said every day because there are those who try to mislead the public in their description of this fund—

Mr Fitzgibbon—You never do that!

Mr IAN MACFARLANE—No, I do not. The $500 million is available both to traditional producers of energy from traditional sources, such as fossil fuels, and to producers of energy from renewable sources, such as wind, solar or geothermal. It is also available to any other sort of energy source, renewable or traditional, if it is able to demonstrate a technological breakthrough and bring to commercial fruition the sorts of technologies that will see emissions lowered in Australia and, therefore, lowered in the world.

These bills introduce a cooperative and national legislative framework for the Australian energy market on a collaborative basis between Commonwealth, state and territory governments. This will facilitate the evolution of a truly competitive national market that transcends state and territory boundaries—a market that is valued at some $A100 billion. One of the major benefits of the reforms to industry will be the decrease in the number of regulators they will be required to engage with. There are currently some 13 regulators operating across the electricity and gas sectors.

The bills will streamline and improve quality and economic regulation through the establishment of the AER and the AEMC, which will also bring about a lowering of the cost and complexity of regulation facing investors and will enhance regulatory certainty. All governments have agreed to establish a single national energy regulator—the Australian Energy Regulator. Encouraging investor confidence in the regulatory arrangements for the national energy market will be essential to ensure that the projected $37 billion of required infrastructure investment is achievable.

The further development of a competitive national market will also be beneficial from the perspective of Australia’s international trade competitiveness. The reforms will ensure that Australian electricity and gas prices will continue to remain amongst the lowest in the world. This legislation provides for new institutional and government arrange-
ments for the Australian energy sector. They improve the quality, timeliness and national character of energy markets. The Ministerial Council on Energy will be the sole decision-making body for setting the future policy directions of the energy market. This will enable a coordinated and cohesive approach to the important structural aspects of the energy market, such as planning of transmission networks, energy security issues and development of a national gas market.

In summary, this legislation provides the foundation for a package of reforms which will positively impact on Australia’s economic performance and the wellbeing of all Australians. This government remains committed to Australia and Australians and to ensuring that energy market reform takes place, just as we remain committed to ensuring that we deliver an energy policy which gives us security of supply at competitive prices well into this century.

For instance, today I travelled to Queensland to announce our $24½ million grants for the biofuel sector. This is another example of this government’s commitment to diversifying the energy base of Australia. Those projects will take place initially in four and potentially five states. Two projects based on sugar cane ethanol in Queensland will receive some substantial funding—around $6½ million—and the balance of $18 million will go to three biofuel projects in New South Wales, Victoria, initially South Australia and perhaps Western Australia.

Mr Fitzgibbon—Are they all ethanol projects?

Mr Ian Macfarlane—Those last three are biodiesel projects. Those projects will ensure that the biodiesel industry goes from a fledgling industry producing less than five million litres per annum to one which, on the basis of these grants, produces some 110 million litres per annum. I have not even worked out the maths on that, but I guess that is about a 25-fold increase and it is, I would suggest, a pretty good place to start. In terms of ethanol produced from sugar cane, we will see a tenfold increase in the amount of ethanol produced from sugar cane, further underpinning the sugar industry’s future. This government remains committed to delivering to Australians the energy policies that they need and to delivering the energy market reform that Australia and Australians need. I commend the legislation to the House.

The Deputy Speaker (Hon. D.G.H. Adams)—The original question was that this bill be now read a second time. To this the honourable member for Hunter has moved as an amendment that all words after ‘That’ be omitted with a view to substituting other words. The question now is that the words proposed to be omitted stand part of the question.

Question agreed to.

Original question agreed to.

Bill read a second time.

Third Reading

Mr Ian Macfarlane (Groom—Minister for Industry, Tourism and Resources) (7.17 p.m.)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

TRADE PRACTICES AMENDMENT (AUSTRALIAN ENERGY MARKET) BILL 2004

Second Reading

Debate resumed from 17 June, on motion by Mr Ian Macfarlane:

That this bill be now read a second time.

Mr Fitzgibbon (Hunter) (7.18 p.m.)—I move:
That all words after “That” be omitted with a view to substituting the following words:
“whilst not declining to give the bill a second reading, the House condemns the Government for:

(1) failing to ensure the Australian Competition and Consumer Commission must take public submissions into account;

(2) failing to honour its commitment to not introduce any new taxes by introducing an industry levy to fund the Australian Energy Regulator;

(3) failing to ensure the Australian Energy Regulator is properly versed in environmental and greenhouse issues related to the supply and use of electricity; and

(4) failing to ensure the Australian Energy Regulator is properly versed in low-income consumer and demand side participation issues.”

The debate on the Trade Practices Amendment (Australian Energy Market) Bill 2004 is part of a cognate debate. Having spent 30 minutes speaking in the earlier debate on the Australian Energy Market Bill, I do not intend to take up the House’s time now.

Mr Ian Macfarlane interjecting—

Mr FITZGIBBON—I have been somewhat provoked by the minister. I just want to simply make the point that the minister demonstrated a bit of a sleight of hand by indicating that there is nothing in this bill that imposes an industry levy. That may be true—this bill does not contain the implementation of the levy. But, of course, there will be a levy imposed on industry, as the minister knows only too well. The inevitability of these things is that those levies will eventually be passed on to the consumer. This, of course, runs contrary to the Howard government’s promise not to introduce any new taxes. This is just another example.

The minister acknowledged the role of the states in reaching this agreement. I acknowledged that myself in my speech in the second reading debate on the Australian Energy Market Bill. I also acknowledged that these are difficult processes, but they are processes in which leadership is required. The reforms fall too far short. The truth is that, in terms of these bills, all we are really doing is replacing NECA with the AEMC, which is effectively a change from a Corporations Law company to a commission, and creating an Australian Energy Regulator whose relationship with the ACCC remains unclear. This was supposed to be about fewer layers of regulation, but what we get as a result is an additional regulator in the form of the AER. Of course, all of the state based regulators remain. I know there is a commitment in the intergovernmental agreement to move to bringing distribution and retail under the jurisdiction of the AER, but that is far from set in concrete. We have a long way to go before we reach that point. Gas does not come into this agreement immediately either.

I want to challenge the minister again to reconcile the failure of this bill and of the white paper to deal with the very serious issue he raised about 15 months ago. I raised this in a television debate with him just last week, or it may have been in the debate in the House. He suggested 15 months ago that, if we do not bring forward some investment in electricity infrastructure, we would be facing blackouts within three years. Indeed, he raised the spectre of blackouts during the coming Commonwealth Games. We are now a year and a half on in that three-year process and I still challenge him to indicate to me what, if anything, is contained within this bill that in any way addresses that looming crisis that he himself identified.

I also challenge him to give an example, possibly, of what might or might not qualify under the two schemes—that is, the low emissions technology scheme and the fund particularly designed for renewables. For example, he says that one of the thresholds is that the applicant must be putting forward
something which represents a technology breakthrough. I pose this question to him: if a technology for, say, capture and storage of carbon exists already in the US and that technology was transferred and adapted to Australian conditions, including the varying conditions of the various qualities of coal, would he suggest to the House that that represents a technology breakthrough? If he feels a willingness to answer that question when he summarises on this bill, it would be more than welcomed by the House.

The DEPUTY SPEAKER (Hon. D.G.H. Adams)—Is the amendment seconded?

Mr Kelvin Thomson—I second the amendment.

Mr IAN MACFARLANE (Groom—Minister for Industry, Tourism and Resources) (7.22 p.m.)—As I indicated, the government will not be supporting these amendments. With regard to the energy fund, the $500 million lower emissions technology fund, it will support the commercialisation of any technology in terms of bringing about a pilot program. As for the source of the energy, this is, as I said, available for renewables, traditional fossil fuels and energy sources that we may not even have thought of yet, bearing in mind that this fund operates through this decade and into the next decade and that the program runs at least until 2020. It presents a great opportunity for Australia and for the member for Hunter’s own area, which of course is embellished with not only fossil fuel sources but no doubt renewable energy sources as well.

In terms of his other criticisms or perceived failures of the energy market reform process, I have addressed those matters in my earlier comments. I do not intend to dwell on them. I remind this House and the shadow minister that these measures have the full support, as he acknowledged, of every Labor state government in Australia. I commend the bill to the House.

The DEPUTY SPEAKER (Hon. D.G.H. Adams)—The original question was that the bill be now read a second time. To this the honourable member for Hunter has moved as an amendment that the words after ‘That’ be omitted with a view to substituting other words. The question now is that the words proposed to be omitted stand part of the question.

Question agreed to.

Original question agreed to.

Bill read a second time.

Third Reading

Mr IAN MACFARLANE (Groom—Minister for Industry, Tourism and Resources) (7.24 p.m.)—by leave—I move: That this bill be now read a third time.

Question agreed to.

Bill read a third time.

ANTI-TERRORISM BILL 2004

Consideration of Senate Message

Consideration resumed from 21 June.

Senate’s amendments—

(1) Clause 4, page 2 (after line 6), before subclause (1), insert:

(1A) The amendment made by item 1B of Schedule 1 applies:

(a) to a person convicted of an offence on or after the commencement of this Act (whether or not the person was charged with the offence before the commencement of this Act); and

(b) to a person charged with an offence on or after the commencement of this Act.

(1B) The amendments made by items 1C, 1D and 1E of Schedule 1 apply in relation to minimum non-parole offences of which persons are convicted on or after the commencement of this Act,
whether the offences were or are committed before, on or after that commencement.

(2) Schedule 1, page 3 (after line 4), before item 1, insert:

1A Subsection 3(1)
Insert:

terrorism offence means:
(a) an offence against Division 72 of the Criminal Code; or
(b) an offence against Part 5.3 of the Criminal Code.

1B After section 15
Insert:

15AA Bail not to be granted in certain cases
(1) Despite any other law of the Commonwealth, a bail authority must not grant bail to a person (the defendant) charged with, or convicted of, an offence covered by subsection (2) unless the bail authority is satisfied that exceptional circumstances exist to justify bail.

(2) This subsection covers:
(a) a terrorism offence; and
(b) an offence against a law of the Commonwealth, if:
(i) a physical element of the offence is that the defendant engaged in conduct that caused the death of a person; and
(ii) the fault element for that physical element is that the defendant intentionally engaged in that conduct (whether or not the defendant intended to cause the death, or knew or was reckless as to whether the conduct would result in the death); and
(c) an offence against a provision of Division 80 or Division 91 of the Criminal Code, or against section 24AA of this Act, if:

(i) the death of a person is alleged to have been caused by conduct that is a physical element of the offence; or
(ii) conduct that is a physical element of the offence carried a substantial risk of causing the death of a person; and
(d) an ancillary offence against a provision of Division 80 or Division 91 of the Criminal Code, or against section 24AA of this Act, if, had the defendant engaged in conduct that is a physical element of the primary offence to which the ancillary offence relates, there would have been a substantial risk that the conduct would have caused the death of a person.

(3) To avoid doubt, the express reference in paragraph (2)(d) to an ancillary offence does not imply that references in paragraphs (2)(a), (b) or (c) to an offence do not include references to ancillary offences.

(4) To avoid doubt, except as provided by subsection (1), this section does not affect the operation of a law of a State or a Territory.

Note: Subsection (1) indirectly affects laws of the States and Territories because it affects section 68 of the Judiciary Act 1903.

(5) In this section:
ancillary offence has the meaning given in the Criminal Code.
bail authority means a court or person authorised to grant bail under a law of the Commonwealth, a State or a Territory.
primary offence has the meaning given in the Criminal Code.

1C After section 19AF
Insert:
19AG Non-parole periods for sentences for certain offences

(1) This section applies if a person is convicted of one of the following offences (each of which is a minimum non-parole offence) and a court imposes a sentence for the offence:

(a) an offence against section 24AA;
(b) a terrorism offence;
(c) an offence against Division 80 or 91 of the Criminal Code.

Note: A sentence for a minimum non-parole offence is a federal sentence, because such an offence is a federal offence.

(2) The court must fix a single non-parole period of at least \( \frac{3}{4} \) of:

(a) the sentence for the minimum non-parole offence; or
(b) if 2 or more sentences have been imposed on the person for minimum non-parole offences—the aggregate of those sentences.

The non-parole period is in respect of all federal sentences the person is to serve or complete.

(3) For the purposes of subsection (2):

(a) a sentence of imprisonment for life for a minimum non-parole offence is taken to be a sentence of imprisonment for 30 years for the offence; and

(b) it does not matter:

(i) whether or not the sentences mentioned in that subsection were imposed at the same sitting; or

(ii) whether or not the convictions giving rise to those sentences were at the same sitting; or

(iii) whether or not all the federal sentences mentioned in that subsection are for minimum non-parole offences.

(4) If the person was subject to a recognizance release order, the non-parole period supersedes the order.

(5) Sections 19AB, 19AC, 19AD, 19AE and 19AR have effect subject to this section.

Note: The effects of this include preventing a court from:

(a) making a recognizance release order under paragraph 19AB(1)(e) or (2)(e), 19AE(2)(e) or 19AR(2)(e); or

(b) confirming (under paragraph 19AD(2)(d)) a pre-existing non-parole period; or

(c) confirming (under paragraph 19AE(2)(d)) a recognizance release order; or

(d) declining (under subsection 19AB(3) or 19AC(1) or (2) or paragraph 19AD(2)(f)) to fix a non-parole period.

1D At the end of section 20

Add:

(6) Paragraph (1)(b) does not apply in relation to a minimum non-parole offence mentioned in section 19AG or offences that include one or more such minimum non-parole offences. This subsection has effect despite subsection (1) and sections 19AB, 19AC, 19AE and 19AR (which permit or require a court to make a recognizance release order in certain circumstances).

Note: If the court sentences the person to imprisonment for a minimum non-parole offence, it must fix a non-parole period under section 19AG

1E At the end of section 20AB

Add:

(6) Subsection (1) does not permit a court (including a federal court) to pass a sentence, or make an order, that involves detention or imprisonment, in respect of the conviction of a person
before the court of a minimum non-parole offence mentioned in section 19AG.

Note: If the court sentences the person to imprisonment for the minimum non-parole offence, it must fix a non-parole period under section 19AG.

(3) Schedule 1, item 2, page 3 (lines 9 to 13), omit the item.

(4) Schedule 1, item 5, page 6 (line 8), after “section”, insert “23CB.”.

(5) Schedule 1, item 5, page 6 (lines 21 to 26), omit paragraph (m), substitute:

(m) any reasonable time that:
   (i) is a time during which the questioning of the person is reasonably suspended or delayed; and
   (ii) is within a period specified under section 23CB.

(6) Schedule 1, item 5, page 6 (after line 38), after section 23CA, insert:

23CB Specifying time during which suspension or delay of questioning may be disregarded

(1) This section applies if the person mentioned in paragraph 23CA(8)(m) is detained under subsection 23CA(2) for the purpose of investigating whether the person committed a terrorism offence.

Note: The person may be detained under subsection 23CA(2) for the purpose of investigating whether the person committed a terrorism offence, whether the person was arrested for that terrorism offence or a different terrorism offence.

Application for specification of period

(2) At or before the end of the investigation period, an investigating official may apply for a period to be specified for the purpose of subparagraph 23CA(8)(m)(ii).

(3) The application must be made to:

(a) a magistrate; or
(b) if it cannot be made at a time when a magistrate is available—a justice of the peace employed in a court of a State or Territory or a bail justice; or
(c) if it cannot be made when any of the foregoing is available—any justice of the peace.

(4) The application may be made:

(a) in person before the magistrate, justice of the peace or bail justice; or
(b) in writing; or
(c) by telephone, telex, fax or other electronic means.

However, before making the application by means described in paragraph (c), the investigating official must inform the person that the person, or his or her legal representative, may make representations to the magistrate, justice of the peace or bail justice about the application.

(5) The application must include statements of all of the following:

(a) whether it appears to the investigating official that the person is under 18;
(b) whether it appears to the investigating official that the person is an Aboriginal person or a Torres Strait Islander;
(c) the reasons why the investigating official believes the period should be specified, which may, for example, be or include one or more of the following:
   (i) the need to collate and analyse information relevant to the investigation from sources other than the questioning of the person (including, for example, information obtained from a place outside Australia);
   (ii) the need to allow authorities in or outside Australia (other than authorities in an organisation of
which the investigating official is part time to collect information relevant to the investigation on the request of the investigating official;

(iii) the fact that the investigating official has requested the collection of information relevant to the investigation from a place outside Australia that is in a time zone different from the investigating official’s time zone;

(iv) the fact that translation is necessary to allow the investigating official to seek information from a place outside Australia and/or be provided with such information in a language that the official can readily understand;

(d) the period that the investigating official believes should be specified.

(6) The person, or his or her legal representative, may make representations about the application.

Decision about specifying period

(7) The magistrate, justice of the peace or bail justice may, by signed instrument, specify a period starting at the time the instrument is signed, if satisfied that:

(a) it is appropriate to do so, having regard to:

(i) the application; and

(ii) the representations (if any) made by the person, or his or her legal representative, about the application; and

(iii) any other relevant matters; and

(b) the offence is a terrorism offence; and

(c) detention of the person is necessary to preserve or obtain evidence or to complete the investigation into the offence or into another terrorism offence; and

(d) the investigation into the offence is being conducted properly and without delay; and

(e) the person, or his or her legal representative, has been given the opportunity to make representations about the application.

Instrument specifying period

(8) The instrument must:

(a) specify the period as a number (which may be less than one) of hours; and

(b) set out the day and time when it was signed; and

(c) set out the reasons for specifying the period.

(9) The magistrate, justice of the peace or bail justice must:

(a) give the investigating official a copy of the instrument as soon as practicable after signing it; and

(b) if the instrument was made as a result of an application made by means described in paragraph (4)(c)—inform the investigating official of the matters included in the instrument.

Evidentiary provisions if application was made by telephone, fax etc.

(10) As soon as practicable after being informed of those matters, the investigating official must:

(a) complete a form of the instrument and write on it the name of the magistrate, justice of the peace or bail justice and the particulars given by him or her; and

(b) forward it to the magistrate, justice of the peace or bail justice.

(11) If the form of the instrument completed by the investigating official does not, in all material respects, accord with the terms of the instrument signed by the magistrate, justice of the peace or bail justice, the specification of the period is taken to have had no effect.
(12) In any proceedings, if the instrument signed by the magistrate, justice of the peace or bail justice is not produced in evidence, the burden lies on the prosecution to prove that the period was specified.

(7) Schedule 1, item 15, page 9 (line 20), after “paragraph (b)”, insert “; (c), (d) or (e)”.

(8) Schedule 1, item 15, page 9 (after line 22), after subsection (7), insert:

(8) Before the Governor-General makes a regulation prescribing an organisation for the purposes of paragraph (7)(a), the Minister must be satisfied on reasonable grounds that the organisation is directly or indirectly engaged in, preparing, planning, assisting in or fostering:

(a) a serious violation of human rights; or

(b) armed hostilities against the Commonwealth or a foreign State allied or associated with the Commonwealth; or

(c) a terrorist act (as defined in section 100.1 of the Criminal Code); or

(d) an act prejudicial to the security, defence or international relations of the Commonwealth.

(9) Schedule 1, item 24, page 11 (lines 19 and 20), omit the item.

(10) Schedule 1, item 26, page 12 (line 40) to page 13 (line 6), omit subsection 337A(3).

Mr RUDDOCK (Berowra—Attorney-General) (7.25 p.m.)—I would like to indicate to the House that the government proposes that amendments (1) to (8) be agreed to, and that amendments (9) and (10) be disagreed to. I suggest, therefore, that it may suit the convenience of the House to first consider amendments (1) to (8) and when those amendments have been disposed of to consider amendments (9) and (10). I move:

That Senate amendments (1) to (8) be agreed to.

I will not speak at length to those, save to say that I welcome the cooperation of the opposition with regard to amendment (2), ‘bail not to be granted in certain cases’, and amendment (5), which relates to a non-parole period for sentences of certain offences. They were new and important additions to the law. Whether they are adequate for the purpose, time might tell, and I will come back to the honourable gentleman if they seem not to be adequate for that purpose. But we welcome the support that was forthcoming in relation to those matters. The other amendments arose because of consideration by the Senate parliamentary committee, and the government has acceded to the suggestions made as useful additions. Therefore we accede to amendments (1) to (8).

Mr McCLELLAND (Barton) (7.27 p.m.)—Yes, the opposition supports this motion by the government. We note that the measures in respect to both bail and parole, as the Attorney-General has referred to, are not insignificant. I point out to the House that we were briefed on these provisions last Wednesday evening at, as I recall, about 6 p.m. In view of the significance of the matters, we have agreed to expedition. The Attorney-General has flagged a review of the legislation, perhaps. These sorts of measures are appropriately reviewed but, equally, we expect that the homework be done before such measures are introduced so that we are not constantly making these tasks a moving feast. That is not to say that the homework has not been done and that he has not had competent advice; we appreciate the briefings we have had from his advisers. But, again, we expect the regime of legal measures in the combat against terrorism to be laid out in a thoughtful way without the constant need to backfill as, unfortunately, we believe has occurred on some occasions. I thought I should put that on the record.

Question agreed to.
Mr RUDDOCK (Berowra—Attorney-General) (7.28 p.m.)—I move:

That amendments (9) and (10) be disagreed to.

While I am grateful for the Senate’s consideration and speedy passage of the government’s bill, in relation to these particular matters the government does not agree. Those amendments moved by the opposition have the combined effect of undermining the policy objectives of the amendments to the Proceeds of Crime Act. The amendments do so in two ways. Firstly, they limit the definition of literary proceeds, potentially allowing literary proceeds actions to fail on the basis of a narrow definition and leaving open the possibility that offenders may retain the benefits of their criminal activities. Secondly, amendment (10) also means that an opportunity to clarify the operation of the proceeds of crime legislation against a person who has committed a military commission offence such as terrorism is missed.

I am disappointed that the opposition, who insist that they are serious about combating terrorism, moved amendments specifically designed to undermine the application of the proceeds of crime legislation in relation to terrorists. Terrorists are criminals. This parliament has worked tirelessly to enact legislation which prohibits all types of terrorist activity. The opposition’s support for most of those offences clearly does not extend to ensuring that people who have committed terrorism offences both here and overseas are prevented from cashing in on their criminal activities.

The government rejects Senate amendment (10), which removes the proposed subsection 337A(3). Subsection 337A(3) clarifies the phrase ‘offence against a law of a foreign country’ in the Proceeds of Crime Act to include an offence triable by a military commission, including terrorism. Of course, the opposition points to the case of David Hicks, who may be prevented from profiting from his activities if this bill is passed. David Hicks is charged with conspiracy to commit war crimes, attempted murder by an unlawful belligerent, and aiding the enemy. These are serious charges and Mr Hicks should not be able to profit from any crimes he may have committed in this form if he is convicted. The fact that these crimes are triable by a military commission is irrelevant in considering whether Mr Hicks should be able to profit from any crimes he may have committed.

The government strongly believes that people who commit criminal acts, especially serious criminal acts like terrorism and war crimes, should not be permitted to benefit from their crimes. It must be remembered that the amendment would not only enable the prosecuting authorities to stop Mr Hicks and Mr Habib from profiting from their alleged crimes but also any person who commits a military commission offence and derives proceeds in Australia. There is absolutely no truth to claims that amending the Proceeds of Crime Act will prevent Mr Hicks or anyone else from telling their story.

Amendments target the profits derived from the criminal activity—it does not stifle notoriety. This in turn could result in unsuccessful challenges to literary proceeds actions on spurious grounds. The government will not allow offenders to retain the benefits of criminal activities because of overly narrow and technical legal reasoning such as is occurring here.
legitimate debate about people’s experiences when no profits are derived. Claims that preventing Mr Hicks from selling his story is somehow unfair if he is acquitted are ridiculous. Under the proceeds of crime legislation a person who is acquitted may be prevented from profiting from literary proceeds if it can be proved on the balance of probabilities that he committed an offence. Mr Hicks would be in exactly the same position as any other person subject to the proceeds of crimes legislation already in place. There is absolutely no reason why he should not be subject to the same restrictions as any other person in Australia who receives proceeds derived from a crime.

Whether David Hicks is acquitted or convicted by a military commission, a literary proceeds order would be obtained from an Australian court. Proceedings for obtaining a proceeds order would be governed by all of the rules applicable to Australian courts. The question before the Australian court would be whether David Hicks has committed an offence on the balance of probabilities. In deciding whether to issue a proceeds order, the court can, in accordance with section 154 of the act, take into account such other matters as it thinks fit. If the court thought the nature of the military commissions or Mr Hicks’s detention was a matter to take into account then it could do so.

Finally, there is absolutely no reason why the military commissions should not be recognised in an Australian law. Military commissions have already been recognised in the International Transfer of Prisoners Act. The military commissions were created pursuant to the law of the United States. The government accepts that when the United States government creates bodies under its law those bodies are lawfully established. If a United States court ever determined that the military commissions were unlawfully established, then reference to them in the Proceeds of Crime Act could always be removed. Although some may argue that recognising a body ultimately found to be unlawful would be embarrassing for Australia, the government believes that it would be more embarrassing for Australia to permit a terrorist to derive profits from his crimes because of the uncertainty in the act which is easily remedied.

What the opposition fails to understand is that the government’s bill does not prevent an individual from telling their story. The bill in no way gags convicted criminals. Rather, what the bill seeks to achieve—and what the opposition is opposed to—is to block the capacity for offenders to profit from their criminal activities.

Mr McCLELLAND (Barton) (7.34 p.m.)—I note in passing the Attorney-General’s front-hand—not a backhand, I suspect—at the opposition for not agreeing to these amendments. I note for the public record that that backhand was as much directed to a government controlled majority of the Senate Legal and Constitutional Legislation Committee, whose report—

Dr Emerson interjecting—

Mr McCLELLAND—My colleague at the table indicates that they are in strife. That committee has in fact done some tremendously valuable work with respect to an area which is difficult. Yes, terrorism does require greater executive powers. There is no doubt about that. But, equally, to preserve what is a fundamental ingredient to our society’s fight against terrorism it is important to keep in play the rule of law and in particular appropriate review of executive action, particularly where judicial discretion is being limited, to do it for a sound reason.

In that context, and in responding to the Attorney-General’s comments, I indicate that the unanimous report of the Senate committee, which has a government majority,
formed the basis of our reasoning. We acknowledge that the amendments concern the Proceeds of Crime Act. The first point that I need to make is that the bill does not extend the proceeds of crime regime to terrorism for the first time. The fact is that the Proceeds of Crime Act already covers a substantial portion of literary proceeds that could be derived from terrorist activity. Indeed, the grave and unique nature of terrorism is already recognised in the act, which excludes terrorism from the statute of limitations applying to all other offences—that is, from the six years that would otherwise apply. So the government is not the first to recognise the significance of terrorism and actions that need to be taken against it.

The residual category of terrorist literary proceeds that would be covered are those derived overseas and transferred to Australia; or those derived from overseas terrorist offences which predated the enactment of anti-terrorism legislation in Australia in mid-2002. In Labor’s view, the committee took a balanced approach to those changes. The committee accepted the need for general amendments to close those two loopholes. Indeed, Labor agrees that those loopholes need closing. Both Liberal and Labor senators accepted this need even though they concluded that the amendments do have retrospective operation.

Liberal and Labor senators on the committee were right about that issue of retroactivity. These amendments do attach punitive consequences to conduct which did not satisfy the dual criminality requirement at the time it was undertaken. That is the essence of retrospectivity, and it is both the effect and the intention of the amendments. Regrettably, the explanatory memorandum is now a somewhat discredited document insofar as it seeks to assert that the amendments are not retrospective and the government, regrettably, has declined to correct that record. One aspect of this assertion was only ever included to protect the government from loss of face over the fact that it is now introducing a retrospective law, which I think has been implicitly recognised by the Attorney-General, to deal with the issue of David Hicks and Mamdouh Habib.

Labor certainly agrees with the bipartisan recommendation of the committee that the independent review mandated by section 327 of the Proceeds of Crime Act should examine the impact of the retrospective operation of these amendments and, in particular, whether they will have implications beyond the area of terrorists’ literary proceeds. The particular amendments that Liberal and Labor senators objected to were those directed squarely at those two Australians—in other words, amendments that did not serve some general law enforcement need but were plainly included to tip the scales in favour of the government in any proceedings it might bring against Mr Hicks and Mr Habib to confiscate any proceeds they received from speaking or writing about their experiences. That is not to say that the opposition supports either of those two men profiting from those experiences; what the opposition supports is the Australian judiciary being in a position where they determine the issue. In relation to item 24, the direct connection between the amendment and the cases of Hicks and Habib is betrayed by the statement in the explanatory memorandum which says:

... this amendment is intended to vitiate a claim that a person’s notoriety stems from circumstances related to their commission of an offence, such as their place of incarceration, and not from the actual commission of the offence.

(Extension of time granted) The reality is that there is nothing in the act that would currently enable such a claim to succeed in relation to section 153(1)(a) of the act. The act as currently expressed implies no limitation on the required connection between the
commission of an offence and the notoriety being exploited. Indeed, the absence of any intended limitation on the court’s jurisdiction to make an order is clear from the report of the Australian Law Reform Commission in 1999, where they said:

... occasions may arise when the benefit gained by the person is property characterisable as attributable to the experience that the person has gained as a rehabilitatee and wishes to share with society. In such cases, it would seem inappropriate to mandatorily confiscate that part of the benefit, albeit that, ultimately, it is derived indirectly from the person’s involvement in criminal, or prescribed unlawful, conduct.

Again, we cannot speculate whether that would or would not be the case in respect of David Hicks or Mamdouh Habib. What we are saying, again in the context of that expert advice, is that these are matters appropriately left to the judiciary. In other words, the proceeds are covered by the act but, as we say, the court should be able to retain discretion.

We also note in respect of proposed section 337A(3) that Labor have consistently had the position that the term ‘offence against a law of a foreign country’ appears often in Commonwealth legislation but is deliberately left undefined, again for the judiciary to have the discretion to determine what is an offence against a law of another country. We believe there is no case for creating an exemption by specifically referring to offences triable by United States military commissions—offences which have been drawn up and promulgated by a single lawyer employed by the United States Department of Defense in Military Commission Instruction No. 2. We understand the fellow to be named William J. Haynes II. These are facts which we believe Australian courts, properly trained and balanced as they are, should be able to consider. The government hangs its hat on the fact that the parliament recently agreed to a reference to United States military commissions in the International Transfer of Prisoners Amendment Act 2004. Clearly, however, we agreed to those provisions for humanitarian reasons, should it be necessary for prisoners to be returned to Australia.

In conclusion, one of the most effective weapons we have as a society in our war against terrorism is, as I repeat, the rule of law. It is one of the most powerful institutions that elevates our society above the perverted activities and objectives of terrorist groups such as al-Qaeda and those who support these organisations. We believe amendments such as item 24 and proposed section 337A(3) and the clear intent behind them tend to weaken the credibility and independence of our judiciary and hence diminish the operation of the rule of law. They should not have been included in the bill, which otherwise confers important new powers on our police to investigate terrorism offences. The bill should not have been used as a vehicle to seek some kind of parliamentary approval of the government’s attitude towards United States military commissions. Accordingly, Labor will record their opposition to these provisions. But we indicate that, in view of the importance of the other measures, we will not oppose the passage of the legislation.

Question agreed to.

Mr RUDDOCK (Berowra—Attorney-General) (7.43 p.m.)—I present the reasons for the House disagreeing to Senate amendments (9) and (10) and move:

That the reasons be adopted.

Question agreed to.

MAIN COMMITTEE
Science and Innovation Committee
Reference

Mr LLOYD (Robertson) (7.44 p.m.)—by leave—I move:
That the order of the day for the resumption of debate on the motion to take note of the following committee and delegation report be referred to the Main Committee for debate: Standing Committee on Science and Innovation—Report—Science overcoming salinity: Coordinating and extending the science to address the nation’s salinity problem.

Question agreed to.

Aboriginal and Torres Strait Islander Affairs Committee

Mr Lloyd (Robertson) (7.44 p.m.)—by leave—I move:

That the order of the day for the resumption of debate on the motion to take note of the following committee and delegation report be referred to the Main Committee for debate: Standing Committee on Aboriginal and Torres Strait Islander Affairs—Many ways forward: Report of the inquiry into capacity building and service delivery in indigenous communities.

Question agreed to.

Communications, Information Technology and the Arts Committee

Mr Lloyd (Robertson) (7.44 p.m.)—by leave—I move:

That the order of the day for the resumption of debate on the motion to take note of the following committee and delegation report be referred to the Main Committee for debate: Standing Committee on Communications, Information Technology and the Arts—Report—From reel to unreal: Future opportunities for Australia’s film, animation, special effects and electronic games industries.

Question agreed to.

TAXATION LAWS AMENDMENT BILL (No. 7) 2003

Consideration of Senate Message

Message received from the Senate returning the bill and acquainting the House that the Senate insists upon the amendments disagreed to by the House and has a further amendment to the bill.

Ordered that the amendments be considered at the next sitting.

WORKPLACE RELATIONS AMENDMENT (PROTECTING SMALL BUSINESS EMPLOYMENT) BILL 2004

Second Reading

Debate resumed from 26 May, on motion by Mr Andrews:

That this bill be now read a second time.

Dr Emerson (Rankin) (7.46 p.m.)—Labor is opposing the Workplace Relations Amendment (Protecting Small Business Employment) Bill 2004 and will be moving a second reading amendment in the following terms:

That all words after “That” be omitted with a view to substituting the following words:

“the House declines to give the Bill a second reading and:

(1) condemns the Government for undermining the independence of the industrial relations commission, and

(2) calls on the Government instead to investigate measures to assist those small businesses that do not have the capacity to pay redundancy payments, to obtain individual exemptions from the AIRC”.

Labor’s second reading amendment highlights the key problems with the government’s approach in this bill. First, the government seeks to reverse a properly made decision of the Industrial Relations Commission and, second, it does nothing to investigate alternative methods of ensuring that redundancy pay applies only to those small businesses that can afford to pay it.

I have no doubt that the government members will spend their time in this debate falsely claiming that this bill is essential for the continuing viability of small business, but what they will not talk about is that this bill seeks to overturn a properly made decision of the independent umpire, the Industrial Relations Commission—and, at that, a
full bench of the commission. Government members will not acknowledge the fact that Labor is committed to ensuring that small businesses that cannot afford to pay redundancy pay will not have to pay it. Government members will not explain why employees who work in profitable small businesses who are made redundant through no fault of their own should be denied redundancy pay.

Redundancies do not just occur when a business is unprofitable or is performing badly. Employees can be made redundant if a business is booming and is simply changing the nature of the jobs within that business. In that situation, why shouldn’t employees of such a small business be entitled to at least some redundancy pay? Employees of medium and larger businesses have had this entitlement since 1984. In 1984 the Australian Industrial Relations Commission handed down its termination, change and redundancy test case, providing a standard award entitlement to redundancy pay. It did not apply to businesses with fewer than 15 employees. At that time the commission said that redundancy pay was necessary to compensate for the ‘inconvenience and hardship’ imposed on employees by redundancy.

Fast-forward to August 2002, when the ACTU applied to the commission to vary the redundancy provisions in awards. The ACTU sought to increase redundancy entitlements for employees with more than four years service and to remove the small business exemption. The Australian Industry Group, the Australian Chamber of Commerce and Industry and the federal government opposed both of these claims. The full bench of the commission handed down its decision on 26 March 2004. It decided not to award redundancy pay for employees with four years service or less, but it also decided to increase redundancy pay for employees with more than four years service, scaling up to 16 weeks pay for employees with nine years or more service, which is similar to the New South Wales standard. It also decided to remove the small business exemption but to limit the redundancy payments of small business to eight weeks, which was the same as the scale for larger businesses prior to the decision.

The full bench considered the issue of inconvenience and hardship and confirmed that for employees this includes the loss of accrued long service leave, the loss of other forms of leave such as accrued sick leave, the loss of seniority and of course the loss of job security. The fact is that ABS statistics show that older workers are more likely to get retrenched than younger workers and, further, that workers with lower educational qualifications are more likely to be retrenched than those with higher qualifications. Being made redundant is costly and traumatic for employees—even more so when it happens to older or lower skilled employees. It is appropriate that they receive some compensation for the losses that they suffer as a result.

In respect of the small business issue, the employer groups and the federal government put a range of evidence before the commission to support their claim that small businesses had less ability to bear the cost of severance pay than larger businesses. The commission considered the evidence and came to the following conclusion:

It seems to us that the available evidence does not support the general proposition that small business has a relative lack of financial resilience and has less ability to bear the costs of severance pay than larger businesses. We accept that this is true of some small businesses, but the evidence falls well short of establishing, as a general proposition, that small business does not have the capacity to pay severance pay. Three considerations support our conclusion. The first is that small business is generally profitable. The second is that some small businesses make severance payments despite the absence of a legal liability...
to do so. A third consideration is the absence of evidence from those jurisdictions where the small business exemption does not exist, or in those industry sectors where it has been removed from the relevant federal award, that small business is less profitable or more likely to fail.

The commission also referred to ABS statistics that showed that, in addition to another 7½ per cent that break even, 70 per cent of all small businesses are profitable. This is similar to the corresponding figure of 75 per cent for medium sized businesses. These ABS figures also show that 70 per cent of small businesses experiencing declining employment remain profitable. That is in fact higher than the corresponding figure for medium sized businesses of 66 per cent.

The full bench also noted that in South Australia, whose state system has never had a small business redundancy exemption, the performance of small business compares favourably with the rest of Australia. I expect that government speakers on this bill will make much of the fact that the New South Wales, Queensland and Western Australian governments also submitted that redundancy obligations should not be extended to small business. But government speakers will no doubt fail to mention the fact that those states have accepted the decision of the full bench and have not been seeking to undermine it in the way that the federal government has.

All of this brings us to the purpose of this bill. Just one week after the commission’s decision and before the commission had even finalised the settlement of orders arising from it, the government announced that it would be introducing legislation to override the small business aspect of the decision. This bill, if enacted, would prevent the small business part of the commission’s decision from taking effect in federal awards and in state awards in respect of small businesses that are incorporated. That means the bill would override any future decision of state industrial relations tribunals that may seek to flow on the commission’s decision. The government is also asking state governments to legislate to maintain the exemption of all non-incorporated small businesses from redundancy pay. The government has tried this trick before with its so-called safer workplaces bill, which is again due to be debated in the House in the near future. That bill would seek to override the ACT’s current laws and any future state laws in respect of industrial manslaughter issues.

Labor strongly opposes this intimidatory approach to federal-state relations and will oppose this bill. Labor also strongly opposes the government’s attempt to yet again undermine the independence and effectiveness of the Industrial Relations Commission. This government has systematically weakened the commission’s power. It has stacked the commission with its mates and it is now trying to reverse any decisions it does not like through legislation. The government’s contempt for this important institution was pointed out by Bob Merriman at one of the recent hearings of the Senate inquiry into the building industry. In his submission, Mr Merriman said:

From my experience, what is required is for this Government to take the Commission seriously and for a start to abide by the Act in respect to appointments.

Mr Merriman added to this at his appearance before the Senate committee in Melbourne on 19 May, when he said:

Section 10 of the act still requires a person appointed as a deputy president to have skill and experience in industrial relations. It is the key factor to the appointment. Some of the most recent appointments had no experience in industrial relations whatsoever. The appointment to be a commissioner still requires the skill and experience in the field of industrial relations. Again, you have the situation where there has been a number
of appointments where the people have not been anywhere near the field of industrial relations. That creates a real credibility problem with people who appear before them. I am not here to criticise the individuals. I am saying that, unless you have people with good standing who are respected by those who appear before them, the commission does not have the power that it needs. In recent times members have been appointed who, before they were appointed, were openly criticising the institution. I find it difficult to see how you can take an oath to serve the institution when you have spent most of your life criticising it. That is the type of thing that has been concerning me over the last four or five years.

Members may not be fully aware of who Mr Merriman is. Until recently, Mr Merriman was a highly respected industrial relations commissioner. He was a commissioner for 20 years, prior to which he represented employers for 27 years in the field of industrial relations. He is also the chairman of Cricket Australia, formerly the Australian Cricket Board. Mr Merriman would therefore have a bit of an awareness of and respect for umpires. I think we should all respect umpires—in this case, the independent Industrial Relations Commission. Like Mr Merriman, Labor is appalled by the government’s attempts to weaken the Industrial Relations Commission and will not support them.

There was a supplementary decision by the Industrial Relations Commission. Despite the efforts to undermine the commission, it has been mindful of the concerns of small businesses and the potential impact of its decision. Just two weeks ago on 8 June 2004, it issued a supplementary decision about this matter which effectively phases in the new redundancy requirements for small businesses over the next five years. This will occur because periods of service for small business employees for the purpose of calculating redundancy pay will only be counted from the date of the decision. So if employees who have been working with the same small business employer for 10 years are made redundant today, they will be entitled to no redundancy pay under the decision but, if the same employees are made redundant in one year from 8 June 2004, they will be entitled to four weeks pay. If this happens in two years from 8 June 2004, they will be entitled to six weeks pay and so on. In other words, the obligation is fully a prospective one. That is the decision that the Industrial Relations Commission brought down in issuing its orders.

This greatly softens the immediate financial impact of this decision on small businesses and will allow them to start to budget for future redundancies because there are no prior obligations as a result of this supplementary decision. It is a decision that the Australian Chamber of Commerce and Industry sought, and it got it. In conversations with me, the Australian Chamber of Commerce and Industry said it would take the sting out of the issue if such a decision was brought down. I believe that this obviates the need for any legislation—and I do not think I would be alone in thinking this, because the Australian Chamber of Commerce and Industry said to me that, if this decision was brought down, the need for any legislation would be minimal or effectively removed. Of course, the government is persevering with it and doing so for one purpose only, and that is a political purpose, not good policy.

I want to talk about incapacity to pay. Labor is concerned about those small businesses that genuinely cannot afford to provide redundancy pay. Like the commission, Labor does not believe that this concern justifies exempting all small businesses from this obligation. In the words of the full bench of the commission:

It would be inequitable and unfair to exempt an employer from the requirement to make a sever-
ance payment in circumstances where there is not an incapacity to pay.

Labor believes that its efforts in this area should concentrate on ensuring that the process for small business employers to demonstrate an incapacity to pay should be readily accessible and simple. Small businesses that cannot afford to pay should not have to and they should not have to go through expensive, time-consuming processes to prove it. Labor wants the process for these exemptions to be simple and inexpensive, ensuring that small businesses that genuinely cannot afford to pay do not have to, and that they do not have to bear large expenses or costly, time-consuming processes in proving it.

Labor will refer this matter to a Senate inquiry to investigate simple ways of applying to the commission and demonstrating an incapacity to pay. Labor also recognise that the commission’s decision has already made it easier to apply for incapacity to pay by allowing applications to be made by an employer association on behalf of a number of employers. The Senate is well-placed to consider this issue in more detail. For those small businesses that are unable to pay because of insolvency, the redundancy obligations would be met through the government’s GEERS arrangements, until a change of government later this year, and thereafter through Labor’s commitment to guarantee 100 per cent of employee entitlements. The fact is that Labor do want to work constructively to ensure that small businesses do not have to go through time-consuming, cumbersome and costly processes in demonstrating an incapacity to pay. We will not support an arrangement where those small businesses that do have the capacity to pay are exempted from it. I think that is fair and that fair-minded Australians would support the Labor position.

The Howard government has no respect for Australia’s institutions that have served our country so well. In the last three years in this parliamentary period, we have seen the government’s contempt for Australia’s institutions demonstrated time and time again. We witnessed the government politicising the Australian Public Service, intimidating public servants and ensuring that public servants do not provide advice to the government that the government does not want to hear. This was most starkly demonstrated with the children overboard affair, when government members and ministers knew prior to the last election that children, in fact, were not thrown overboard as the government had alleged and had expressed such outrageous indignation about. Nevertheless, the Public Service created a structure with a set of reporting arrangements such that according to the government that advice did not get to it. I do not believe that; the Australian people do not believe that. Nevertheless, the government did politicise and intimidate the Public Service, as it had done before and as it has done many times since. The Australian people have witnessed that again with the politicisation and intimidation of our intelligence agencies.

Mr Tuckey—Madam Deputy Speaker Gambaro, I rise on a point of relevance. I draw your attention to the relevance clause, of which we are so often reminded by those on the other side of the House. Whilst we all take the opportunity to range widely on an issue, children overboard and other issues now being mentioned by the shadow minister are in no way relevant to the detail of this bill.

The DEPUTY SPEAKER (Ms Gambaro)—I thank the member for O’Connor. I ask the member for Rankin to return to the Workplace Relations Amendment (Protecting Small Business Employment) Bill and to be relevant to the bill.
Dr EMERSON—I will, Madam Deputy Speaker. Of course, the member is completely ignorant of the second reading amendment, which I not only foreshadowed but put on the Hansard record, which condemns the government for undermining the independence of the Industrial Relations Commission. I am speaking to the undermining of the independence of the Industrial Relations Commission and other important institutions in this country.

The DEPUTY SPEAKER—The amendment had not yet been seconded. I was going to ask you to second the amendment after you had finished speaking. It was not clear whether or not the amendment had been seconded. I will nevertheless allow you to return to the bill, and I will seek a seconder for the amendment after you have spoken.

Dr EMERSON—With respect, you can actually speak to a second reading amendment and then have it seconded at the end of the speech. Otherwise there is no facility whatsoever to speak to a second reading amendment, completely removing the value of any second reading amendment.

The DEPUTY SPEAKER—I ask the member for Rankin to continue on the workplace relations bill and to make his remarks relevant to the bill.

Dr EMERSON—Madam Deputy Speaker, I will make it relevant to the bill, but I will also make it relevant to the second reading amendment, otherwise there is no purpose to a second reading amendment. In relation to tribunals, we are talking about the Industrial Relations Commission, which is a tribunal. In relation to courts, we have seen the Howard government systematically attack the independence of the courts in seeking to overturn decisions of the courts and, most particularly in respect of this legislation, it is the same act in respect of the independent umpire, the Australian Industrial Relations Commission. This government has systematically sought to weaken in Industrial Relations Commission, which has served Australia well for around 100 years. It has sought to gut the commission and stack it with its mates. When the commission brings down a decision that the government does not like, the government seeks to strike down that decision through legislation, and that is what it is doing here again today.

Labor consider that those small businesses that are able to pay redundancy payments to retrenched staff should do so. It does not seem decent to us that an employer of a viable, profitable small business can walk into the business one morning, tell loyal staff that they are sacked and not even give them a few weeks pay to help them pay family bills while they look for another job. That is what the government is proposing: that an employer can walk in and say, ‘Thanks for all the loyal service. See you later. You’re sacked. No pay.’ That is what the government describes as a fair Australia. It is a completely unfair system if an employer were to be empowered to do that, but that is what the government wants to do.

We will not accept that, but we do, of course, accept the concept of ensuring that those small businesses that genuinely do not have a capacity to pay do not have to go through protracted, costly, time-consuming processes. The Liberal government believes it is fair to sack loyal staff on the spot, send them on their way and not even give them a bit of pay to tide them over while they look for work. We do recognise the value of streamlining the processes. We recognise that small businesses that cannot pay should not have to go through any expensive, time-consuming processes to prove it. That is why we consider the most productive response is to facilitate the lodgement and consideration of claims of incapacity to pay to the commis-
That is why we want a Senate inquiry to examine ways of streamlining this process for small business. Labor call on responsible business organisations to contribute to the Senate inquiry. We welcome their ideas. We genuinely welcome the ideas of employers, employees and anyone else who wants to appear before that Senate inquiry to come up with innovative ways to ensure that those businesses that do not have the capacity to pay are able to demonstrate that without great cost or time on their part.

We will not support this bill that seeks to strike down a properly considered decision of the full bench of the Industrial Relations Commission. We ask the government—without any great hope that it will join us—to cooperate in the Senate inquiry and to stop engaging in political manoeuvres so close to an election. But, of course, that is in its nature. I notice that the Financial Review has had quite a bit to say about the small business minister. Obviously one of the reasons this is in the parliament is that he is trying to scramble a little bit of credibility back from the small business community. Today’s Financial Review said:

It is no surprise that federal Small Business Minister Joe Hockey is struggling to win friends among what should be his core constituency.

Hockey, who is keen to trumpet his background in small business, accuses the sector of having colourful accounting practices and poor corporate governance, and candidly admits he is unsure whether it would welcome his return to the portfolio after the federal election.

“You would need to ask them,” he told The Australian Financial Review.

This is an indictment on the small business minister. He said:

Small business hasn’t got the same corporate governance as larger businesses. Therefore poor corporate governance practices in small businesses are one of the biggest hurdles to transferability.

The article went on to say:

Warming to the theme, he declares that if he were not a politician, he would be a property developer. “I’ve got real estate in the blood.”

Well, there you go. Maybe he should be a real estate agent or a property developer. The small business community know, and they have told me, that this minister does not represent their interests properly. That is why we get legislation such as this and the various stunts of which he has been found guilty. He comes into this parliament time and time again misrepresenting Labor’s position. He was not even in the parliament the day that we provided him an opportunity to come along and clarify why he made so many misleading statements about our policies. I will finish with this from the Minister for Small Business and Tourism—it is hilarious—as the article continued:

“I have been travelling like a duck across a pond,” he says. “Lots of activity below the surface without making a splash up top.”

I do not think there would possibly be a more unsuitable analogy than for the Minister for Small Business and Tourism to portray himself as paddling under the water and ‘traveling like a duck across a pond’. This is not the image that he conjures up for me. He went on to say:

I think the government was burnt by its promise to halve red tape out of the Bell report because we couldn’t deliver...

This was a commitment that the government made before the 1996 election to halve red tape. It got a report from Charlie Bell, the managing director of McDonald’s, and the government failed to implement it. When this government talks about small business, it talks the talk but never walks the walk. The minister himself has declared that the government has failed in its commitment to cut red tape for small business. We know that to be the case. Its most spectacular failure, of
course, was the introduction of the GST, where instead of simplifying the tax system it imposed a massive new compliance burden on small business. The fact is this minister is an embarrassment to the parliament. He is a complete failure. He is certainly not a duck skimming across the water—anything but. The Minister for Small Business and Tourism ought to be condemned yet again while I have this opportunity to do so, because he has let the small business community down very badly. I move the second reading amendment in my name:

That all words after “That” be omitted with a view to substituting the following words:

(1) condemns the Government for undermining the independence of the industrial relations commission, and

(2) calls on the government instead to investigate measures to assist those small businesses that do not have the capacity to pay redundancy payments, to obtain individual exemptions from the AIRC”.

The DEPUTY SPEAKER (Ms Gambano)—Is the amendment seconded?

Mr Snowdon—I second the motion.

Mr TUCKEY (O’Connor) (8.12 p.m.)—In the debate on the Workplace Relations Amendment (Protecting Small Business Employment) Bill 2004, a member of this House has just put a cogent argument as to why this House should not exist. He said that the Minister for Small Business and Tourism should maybe go into real estate. He obviously has ambitions to be a commissioner of the Industrial Relations Commission because he thinks that is a place of more power. Considering those who frequently make up that body, he is probably right. But the greatest point of history under the Westminster system of government—and I did not hear him having any criticism of that process—is that parliament decides and courts adjudicate. If the member for Rankin is of the view that parliament does not count, he should put it out in a press release. He should say, ‘We are wasting our time. You have created a statutory authority. We have got judges of the High Court, the Federal Court and the Supreme Court. They should run the country.’ That is what he said. But he would not say it about the Supreme Court.

The member for Lingiari starts pulling faces. I tell him it might not be a bad idea if he opens his ears. There is plenty of room on his head. Because he can hear what the man said—he said: ‘You can’t change the law in Australia as a parliament once the Industrial Relations Commission has decided.’ That is what he said. And if he wants to read the transcript tomorrow morning with me, we will see who is right. The opposition are prepared to read anything into anything that is written. They have a record of it at question time. But the reality is that the member for Rankin has just put a proposition to this House that in fact the parliament does not count.

I hope they are prepared to go to the Australian people with that view. The Australian people might say, ‘Wouldn’t it be better if we had a totalitarian regime where it is all run by one Bob of the bureaucracy or another?’ I happen to believe I have been here for nearly 24 years because the people who vote for me expect me to put forward issues that are of relevance and interest to them and expect the courts to deliberate on those matters.

Isn’t it amazing? The member for Rankin revealed his lack of small business knowledge. Unbeknownst to me, apparently he was a small business man once. He almost wanted to deny that in this House when it was suggested that he had made a couple of comments—he thought they were in confidence—to some small business people. But he said, ‘We will have a simple and inexpen-
sive process for small businesses that can’t afford to pay.’ I wish he had explained to us—and maybe a following speaker might do this—how under a legalistic approach anybody has ever succeeded in achieving that outcome. Who is going to argue the case for a simple and inexpensive resolution? A lawyer? Who do small businesses turn to? The Industrial Relations Commission came to a conclusion that small business could afford to pay.

The member for Rankin said, ‘We want to stop a circumstance where an employer—dependent for his small business profits on that loyal work force the member for Rankin referred to—is going to get out of bed after an argument with his wife the night before or a hard night on the booze or something and walk into the workplace and sack his entire work force for no reason other than he felt bad that day.’ That is how the member for Rankin portrayed it. This is how the trade union movement— the masters of the opposition—keeps up this ‘you’ve got to hate your boss’ syndrome. As the minister for industrial relations pointed out today, we do not have strikes when people get into workplace agreements, because Aussies are very straight shooters: if they do a deal with the boss, they and the boss want to keep it.

There is a little grin from the member for Bass. She believes also that every small businessman gets up every morning and says, ‘I wonder who I can sack today?’ You see, the member for Bass has no knowledge of small business or the people involved. But I remember that during a very bad downturn in the agricultural sector in my electorate a small businessman—a machinery dealer whose principal business was repairing and renovating farming machinery—came into my office with tears in his eyes. He said, ‘I wish I could’ve got help, Wilson. You gave help to the farmers. I didn’t want it for myself and my wife. We will sustain our business. We will get through the drought. But where do I replace my loyal work force when things come good?’ His tears were for his loss of an asset. Let us be pragmatic about it: it was not one of these touchy feely issues. He saw his committed work force as the greatest asset of his business. Most members of the small business community do so also.

But they do not want people in their work force who do not work and who want to create problems. They want people to whom they can pay good money and who will do a day’s work. But the idea that someone walks in—and this is how silly the remarks of the member for Rankin were—and wipes their business out of existence one morning by sacking all the people who generate their income because they are angry with someone is so silly it is hardly worth mentioning in this place. But that is the foundation for saying the Industrial Relations Commission should be able to tell small business that they must pay redundancy when they retrench people.

Isn’t that interesting? The Labor Party are saying that their policy will be that it will only apply to people who can afford to pay. If you can afford to pay, why would you sack your good staff? Why would you do that? It is illogical. If your business is prospering and you do not want to continue in it personally you will sell it—and there will be people queuing up to buy it if it is profitable. If it is not profitable, why should you have to sell your family home so that you meet the IRC condition that you have to pay a redundancy to people you unfortunately can no longer afford to employ?

It is a farce to say that you can define who can and who cannot afford to pay. Today you might have a modest house in Sydney worth $1 million. Do you have to sell it and move to a caravan because your business has gone
broke? Is that fair and reasonable? In Western Australia as we speak there is a huge debate going on about an old couple who might get kicked out of their house because they had a big stockpile of drugs in it. Are we going to say that, on the strength of the fact that somebody has failed in their business, they have to sell their house to pay a redundancy?

I find this quite surprising. Having been in business for many years, I took on hundreds of people with no skills. I had a long period in local government and we took on hundreds of people with no skills. As they achieved skills, they then took other opportunities. In local government, for instance, after they had wrecked the front-end loader and they had wrecked a few other things learning how to drive them, they eventually became skilled grader drivers. The minute they were at that level of skill they came in one day and said to the local government boss, ‘We’re leaving. You’ve invested a lot in us but we’re going up to the mining company. They pay better.’ Everybody said, ‘Good luck to you.’

If you have invested in people and they leave you, why isn’t the employer entitled to redundancy? What about his or her investment—if you want to go down this silly road? But when you start telling people that they must pay redundancy—and I do not mean for it to sound laughable—and that it is only going to apply to those who can afford to pay, then, arguably, it will never happen, because the only other people who get sacked are those who fail to perform in the business, are disruptive in the business or are not with the culture of the business. That is a fact of life. I want somebody to stand up in here and identify an employer who has walked in one morning and sacked all the staff because he had what’s-his-name on the liver. That is just silly rhetoric still coming out of a party that is battling for the survival of its industrial relations bureaucracy. They are, of course, in that sort of jobs growth industry. Unfortunately, in my view—if you want criticism of the IRC—there are also too many of them.

I would fight to the death to be told that the High Court, the Federal Court or the Supreme Court and the state governments could dictate to this parliament and its properly elected members—remembering that all those I just mentioned were never elected—how this place should be conducted. We are going to have a Senate inquiry. Why waste the time? Just get the Labor members to write their report. They know now what they are going to say. They are not going to take any notice of the evidence. We are not that silly. There might be somebody sufficiently juvenile in their life in this place to think that those sorts of inquiries are going to have any genuine relevance. They are political exercises. Why not just say, ‘We’re going to have an inquiry and everybody can write their reports,’ and that is part of it.

I want to go a bit further on this issue. Small business is nearly always funded by people who mortgage their home for the purpose of the acquisition they make. They put that asset on the line. When you get a job with someone, he does not take out a mortgage on your house; he does not sometimes take out a mortgage on your parents’ house—who, as history provides, frequently guarantee for their kids, and it is a wonderful thing that Australians do. All we have here today is support for the decision of a court, which we respect, but we also retain the right to change the law so that they will interpret it in that fashion in the future. We are saying that a court, typically manned by people who do not have those sorts of problems—they did not mortgage their houses to get their jobs—will say to people, ‘You will pay redundancy when you’re going broke.’ It is a great misfortune for everybody that the only
time that serious redundancy occurs is when some-
body cannot afford to employ some-
one—otherwise, they drastically want their pro-
bduction, if they are producers.

It is an interesting aspect of the industrial relations policies of this government, as was pointed out to us by the Treasurer this morn-
ing, that by allowing Tom, Dick and Harry to interact personally with Bill and Jack, the employers, what has been the outcome? There has been a 14 per cent growth in real wages over eight years compared to a 2½ per cent growth in real wages under the accord— in other words, unions uber alles—which occurred in the 13 years of the previous gov-
ernment, run by a trade unionist called Bob Hawke.

What do workers want? They want more buying power for their money. During the two world wars, in the Weimar Republic you needed a wheelbarrow full of money to buy a loaf of bread. I do not think workers want that. They do not want an income that is ripped away by the government in tax. They want buying power. They do not want inter-
est rates on their home, or on other invest-
ments that they make, that are so high that they cannot afford them. Those are the fun-
damentals they want.

As I said earlier, they will stick with a deal with the boss. I have been in this category. Twenty-five or 30 years ago, I employed truck drivers in a town called Carnarvon. For example, a truck driver had to do a trip to Perth and back. When those truck drivers came to see me because I had a job vacancy, if I said to any of them: ‘You’ll be right. Off you go. You’ve got a licence. You’re a good guy. You’ve got a good reference. I’ll pay you the award. That means you’ve got to take a sleep here, you’ve got to do this and you’ve got to do that,’ they would spin on their heel and walk out the door. They only wanted one offer from me, and that was trip money. They did not want the award—they did not want to know about it.

I did the same with workers in my hotel. They got so fed up, I got so fed up and my wife got so fed up with the complexities of the award. People were actually arguing with us that they earned more money last week than this week, and therefore we were robbing them, when in fact last week, on a con-
tinuous seven-day roster, they had worked more time on a weekend or at night and therefore got higher penalty rates, although they had worked for only 40 hours, or whatever the total time available was. We sat them down one day, we added up all the benefits and we offered them a casual rate that included no holidays, no sick pay, no nothing, and they said, ‘That’s wonderful. That’s what we want.’

And when we asked them to work out the rosters, the single girls took the day work and the married women took the night and weekend work, for obvious reasons. It was the same rate of pay. But you are not allowed to do that in Western Australia anymore—and I was not allowed to do it then, I do not think. But the workers wanted it, and they were all ringing up from the other pubs saying, ‘When can I work for you? You pay better money.’ I said, ‘No, I don’t pay better money; I just give it to you in the hand. And when you leave, there’s nothing to take with you.’

Mr Brendan O’Connor—No payroll tax.

Mr Tuckey—We paid payroll tax when we were responsible for it—it de-
pended, of course, on the threshold—and they paid tax and they paid everything else. But we have this argument that workers are so dumb, according to the Labor Party, that someone has to hold their hands and that employers are so dumb that they sack good people because they just feel that they would like to sack some on this day. The only peo-
ple who get serious problems with redundancy are those who have to change their staff level. It might not be sacking the whole staff—they might want to sack one, they might have to sack two, because they have lost a contract or things have turned down in a particular industry. What is their judgment going to be? Their judgment is, ‘I’d better not put that extra person on. I’d better not employ them, because I can’t afford to pay them a redundancy if they leave.’ The so-called redundancy gets up to about eight weeks at year two or something—it is an unbelievable amount of money that is being requested.

In the end, in this time of technology, as I pointed out to the House some time ago, Reuters—who apparently produce the Wall Street Journal—are now employing Indian journalists in India to do a lot of their work. As I wrote once to the head of the Industrial Relations Commission, you cannot force people to employ people. You can put all sorts of rules on them after they have made the commitment; you cannot do it before. And every time we put up roadblocks of this nature, fewer people are employed. You buy a new machine, and capital is cheap under a low interest rate regime, or if you are big enough you shift your production offshore. As I said last time, I ask most of the members—there are not many here at the moment—to look at the collar of their shirt and see where it was made. It is happening, and it is a silly concept. Create the opportunity and 95 per cent of Australian bosses will give their workers a good deal. They will go out and bargain for the best, and they will pay good money because they know they will get productivity. (Time expired)

Mr BRENDAN O’CONNOR (Burke) (8.32 p.m.)—I rise to support the amendment moved by the member for Rankin and to raise concerns that I have with the Workplace Relations Amendment (Protecting Small Business Employment) Bill 2004. The previous speaker would have us believe that the intention in opposing the bill would be somehow to impose an unfair restriction on the activities of small business. What Labor are looking to do today—and what I hope we are able to do if elected to government—is to get a decent balance between the needs of employees when made redundant from organisations with fewer than 15 employees and the needs of those small businesses to be properly run and to continue to operate. It is about finding a decent balance. This is not a class divisive bill. There is no need to rail against Labor because of its association with employees—the fact that it spends more of its time defending Australian workers because of the attacks of this government upon Australian workers—

Mr Hardgrave interjecting—

Mr BRENDAN O’CONNOR—Ignore the pejoratives that are used by the member for Moreton and others, who like to suggest that the only reason they attack employees is to rail against unions. The fact is that we know the government is ideologically predisposed to hating workers and Australian working families—the most productive element of this country. What we are looking to do, and what we have always done, is to bring the parties together. We are about including employee and employer representatives at the table. We are about including all voices when we look at major issues.

The previous speaker, the member for O’Connor, mentioned the previous Prime Minister. I think he took his name in vain. But of course Bob Hawke, in his time as Prime Minister—and indeed in his time as President of the ACTU—always saw Labor’s objective as reconciling differences wherever possible and bringing the parties together: having the employers’ and the employees’ representatives at the table to talk about
problems and to solve those problems. We know this government are not about that; they are indeed very much antiworker.

So when it comes to this potential dilemma—to reconcile, on the one hand, the objectives of maintaining good business and the proper running of small businesses, with, on the other hand, the objective of ensuring that employees of businesses with fewer than 15 people get a decent redundancy—the government is not concerned about the latter issue. And it is not concerned that it will also affect those ethical small businesses, who indeed would want to pay a redundancy if they had to take a terrible decision—an awful decision, I am sure—to get rid of employees. Again, I think the member for O'Connor is wrong when he suggests that Labor implies that small business employers would somehow relish people being made redundant. I have met some pretty obnoxious small business employers, but they are in the minority. I know that not only would most small businesses not like to terminate any of their staff under any circumstances but, because of the size of their organisation, they quite often have an intimacy with those employees that large or medium-sized businesses do not. So I do not accept—and Labor does not believe—that those small businesses would in any way relish the prospect of having to lay off staff. But it happens.

Currently, pursuant to the Commonwealth’s own policies, if the small business does not have a capacity to pay, the employees can seek their redundancy payments—or at least a minimum amount of their redundancy—from GEERS, the current redundancy scheme. So that would take effect. Of course, in the case of those companies which are not insolvent or do not become insolvent, there would be no such capacity for those employees, because the actual payment of GEERS—the redundancy scheme put in by the government—is triggered by the insolvency of a company.

So you have an awful situation if you are made redundant from a successful company—and that happens. Indeed, sometimes redundancies are more about changes to the workplace or changes in direction and the collection of skills required in a given workplace. What you have here is a situation where, if you are an employee, you would want to be an employee of an insolvent company where you may be given some assistance. If you take the government’s view that we should not allow employees to seek any redundancy from successful small businesses, they are discriminated against. The inconsistency of that application in this area does not seem to be a concern shared by government members.

As I said, this is not a class driven decision. This is not about surplus value according to Marx. This is about a federal government looking after the interests of small businesses and the employees who work for them. The government has led us on a merry dance about the effects of this decision. It has exaggerated the effects of the decision by the Industrial Relations Commission. The fact is that the decision—and, of course, it was handed down some time ago and was supplemented only a number of weeks ago by an interim decision—will not have the effect that those on the other side pretend that it will have.

When the decision was handed down and ministers and the Prime Minister started bleating about this issue, I read in the Australian Financial Review on 1 May an interesting column which was written by Michael Schaper—a professor of small business and entrepreneurship at the University of Newcastle and author of The Australian Small Business Guide to Hiring Staff—and co-authored by Rowena Barrett, the director of
the Family and Small Business Research Unit at Monash University. The article, which refers to this decision that has been condemned by this government, stated:

The recent decision by the Australian Industrial Relations Commission to extend redundancy payouts to small firms appears to have major implications for Australia’s 1.2 million small businesses. Between them, these enterprises employ almost half of the private sector workforce.

Traditionally, firms employing fewer than 15 staff have been exempt from the requirement to provide a payout in the event that an employee is made redundant. However, the AIRC recently partially removed this exemption.

These two experts in the field then went on to say:

But the reality is that most of the country’s small businesses will not be affected by the ruling.

In the first place, many small firms in Australia aren’t actually employers. In fact, more than 48 per cent of Australia’s 1.2 million private firms don’t employ anyone. They are businesses where the only employee is the owner, and such owner-operators are unlikely to try to win a payout from themselves.

Even among the firms that do employ staff, the redundancy provision will apply only to businesses that are covered by federal employment and workplace laws. But since most small firms operate within state jurisdictions, this equates only to about 20 per cent of all small firms.

Meanwhile, most of the employees within small firms work under conditions or agreements that are covered by state or other provisions, not under the protection of commonwealth laws.

On this point they concluded:

This means as few as 9 per cent of all Australian workers might be affected.

That is, they may be affected if this decision had to be applied in any given workplace. It is a furphy to terrorise small business employers by suggesting that they would have a huge impost placed upon them in the event of a redundancy. That is the first thing that should be noted. The government has made a highly exaggerated allegation. It has been bleating away and sending out the messages that it wants to send out, but they are not an accurate depiction of reality, as a result of the decision handed down by the commission. In relation to the decision handed down by the commission, it is worthy to note that a Commonwealth government should rarely consider overturning a decision of a commission. In my view, it would have to be a very exceptional circumstance to override a decision that has been formulated by independent, appointed commissioners, many or most of whom have been appointed by this government to look into such matters.

The other thing is that I am not sure that the previous speaker or, indeed, any of the speakers on the other side of the chamber have actually read the decision. Maybe some staff of the government have read it, but I do not think too many members have read the decision. It is a lengthy document. I think it is over 100 pages long. It has significant appendices attached. The reason why it is a hefty, if you like, and comprehensive decision is that the amount of evidence the commission received was comprehensive. The amount of evidence that was put forward by all of the interested parties was comprehensive, and the commission had to sift through that evidence, weigh it up and get a balanced position. I think it did a reasonable job in finding that balance.

I do not believe I have heard—certainly not in any of the debate so far contributed to by government members—any reference to any particular part of the decision they do not like or to any of the evidence cited by the commission as to the reasons it formed its decision and why they believe that it is faulty, fallacious or, in any way, inaccurate or erroneous. It seems to me that what we have here is a body that has been appointed by the Commonwealth to consider these mat-
ters—that is, effectively under the industrial relations legislation, judges appointed by the minister, the executive of government—to consider these matters and to hand down a decision. Having spent months looking at the evidence, it has tried to come up with a reasonable position.

The only response we get from the federal government in relation to this matter is that—when a few people are unhappy with the decision and a phone call is made, most likely to one or more of the ministers of the government—the next minute it introduces a bill to undermine the integrity of the Industrial Relations Commission, yet again because the government is not happy with the outcome.

This is a government that has been stacking the Australian Industrial Relations Commission with employer-only commissioners since its election in 1996. I think that, other than one commissioner, there have been umpteen employer commissioners who have taken up positions in the commission. Some are on the record talking about how much they hate the commission. Unfortunately, in some respects, you have commissioners who, at least before they were appointed, had no faith or belief in the system itself but were still appointed by the then minister for workplace relations, Peter Reith. That was also followed by Minister Abbott when he held that portfolio. We have had these decisions being handed down by a commission that largely in recent years has heavily comprised employer-only commissioners—that is, commissioners from the employer side.

Can I say firstly that I do not at all conclude that, because a commissioner has come from one side or the other, they are in any way biased. In fact, my personal experience is that you get very good commissioners from either side of the fence who have been appointed by Commonwealth governments. But I do think this broke with the protocol of previous Labor administrations, when the appointments were balanced at approximately 50:50 from employee and employer sides of the debate. I have to say that the level of competence was not higher on one side or the other. There were very good commissioners, I believe, on both sides and there were some who were not so good on both sides as well.

That convention was broken by the Commonwealth government in the hope, I suppose, of ensuring that this would push the trend in favour of employers and against Australian working families. That is what they hoped. What this government hoped was that there would be a trend in decisions against Australian working families and in favour of employers. What seems to have happened to some extent is that, just as any individual with integrity, whoever they are appointed by, wants to discharge their statutory responsibilities properly, honestly and with integrity, in the main the commissioners who have been appointed by the Howard government have in fact wanted to discharge their responsibilities with some integrity.

That was not what this government wanted them to do, it would appear. Now they are saying that not only are they not happy with all employer-only commissioners being appointed into the Australian Industrial Relations Commission but also they are not even happy when they are the ones determining the decisions, and they will override them. I think this is an awful exhibition of unbridled power. It is a very arrogant thing for a federal government to do—on the one hand, to make what they hope to be biased appointments to the commission and, on the other hand, when they are still not happy with the decisions that they make, to seek to override the decision.
What I would ask members of the government to do, particularly those who come into the House tonight or tomorrow to put arguments against Labor’s contentions, is to read the decision or at least the summary of the decision. The summary is about eight pages long. It would be helpful if people read something before they came in here to criticise the decision by the commission. I think it is important to note that the full bench of the Industrial Relations Commission considered a number of things. It considered the issue of inconvenience and hardship and it confirmed that that included the loss of accrued long service leave, the loss of other forms of leave, the loss of seniority and the loss of job security. It found that there was a loss of job security due to ‘the incidence of part-time and casual employment among employees made redundant from full-time jobs’. What compounds the tragedy of redundancies, the commission went on to say, is that older workers were more likely to be retrenched than younger workers. Indeed, ABS figures conclude that older workers are more likely to be retrenched than younger workers.

Nobody—not the small business employers who have to make the decision or the relatives of that person or even, indeed, the retrenched person themselves—thinks that it is anything other than a tragedy when a worker has lost their job. I sometimes think that we spend a lot of time here bagging the other side and having a go at a number of things, but what we do not do is reflect sometimes upon the tragedy of redundancy and what it does to an individual worker. It is the same as a small business collapsing. The effects that a farm suffering from a drought or a small business going into insolvency have on individuals involved, to me, are comparable to an employee being made redundant. As we know, not only can the loss of income reduce quality of life for them and their families but also people’s own esteem is intrinsically connected with their employment.

I am sure that all members, whatever side of the political divide they are from, would have come across people who have lost their jobs. It is a tragic experience. What we are seeking to do is find a balance between, on the one hand, small business having a capacity to pay—and the member for Rankin went to things such as ensuring that there is a capacity to pay—and, on the other hand, ensuring that there is a decent safety net for employees who, tragically, are made redundant and are unfortunate enough to find themselves in a workplace of fewer than 15 employees.

The full bench of the Industrial Relations Commission has found that it is unfair and has sought to change the law in that respect. I believe it is the right decision on balance, and I do not believe the federal government has done the right thing by looking to enact legislation to override the independence and integrity of the Industrial Relations Commission. (Time expired)

Mr BAIRD (Cook) (8.52 p.m.)—I rise to speak to the Workplace Relations Amendment (Protecting Small Business Employment) Bill 2004. It was interesting to listen to the member for Burke. It was a thoughtful contribution. We understand his concern with those who experience the effect of redundancy on their lives, and we all sympathise with that. It is significant, and the trauma is also significant to them. But the failure of the member for Burke’s argument on this issue really goes to the core of the Labor Party’s lack of understanding of small business.

We are sympathetic to the issue of redundancy; nevertheless, what we are talking about is those companies employing fewer than 15 people and the impact on their viability. We are trying to ensure that these
small businesses in our community remain viable. Often as the market changes and customers shift—especially when a company is quite small—the very foundation of a company is threatened and they are forced into bankruptcy because they simply cannot afford the redundancy payments involved with these shifts. That is where the member for Burke’s arguments were flawed: they failed to recognise the environment in which small business operates. That is the problem we see day by day in this House. The Labor Party are very interested in talking about a whole range of issues but in terms of the economy, trade, Treasury, Finance and affordability they are not there.

Just two weeks ago in the Main Committee there was a debate on trade. By the time I had advice that the debate had started and that I was the first speaker, it was over for the Labor Party. They spoke for two to three minutes and they were out of there. With regard to the fundamentals of the Australian economy, they are not there. That was reflected in the Leader of the Opposition’s response to the budget: he simply did not mention the economic performance of the Australian government or where he wants to take the economy; it was more about where he would spend the money. It is very easy to talk about spending the money if you do not sort out how you are going to prioritise the taxation requirements of the economy, the budget, the overall long-term expenditure and where you are going to make the cuts. None of those hard decisions were outlined. It is the same with this bill before the House. It is about assisting small business—and of course small business is the backbone of the Australian economy. There are some 1.2 million small businesses—that is, those with fewer than 20 employees.

Mr Baldwin—The mum and dad businesses.

Mr Baird—as the member for Paterson rightly points out, they are the mum and dad businesses. In fact my own mum and dad were employed in such a business. My wife is employed in a small business as well—it is her own. They are the basic building blocks of the Australian economy. Some 3.3 million people are employed in small businesses. As we would expect under this government, there has been a net growth of some 47,000 businesses in the last financial year, with a growth rate of 3.5 per cent. We protect and ensure the viability of small businesses. We have done this through a number of measures—not in the least by the changes to our corporate taxation laws and by bringing the rates down to 30 per cent but also with some aspects of the GST, including changing to a provision for once-a-year reporting for those with turnovers of less than $50,000 a year.

One of the central planks has been the issue of the unfair dismissal bill, which has gone to the Senate 40 times and been knocked back. Once again, there is a failure to recognise the way in which small businesses operate within the Australian community. There is a lack of understanding of the free market environment in which small businesses operate and the way it is often necessary for them to shed staff in order to remain viable and to adapt to changes. The provisions which are there may be all right for large companies employing more than 20 employees, but the payouts involved are substantial. The normal redundancy scale of four to eight weeks of pay, depending on the years of service, for employees being made redundant is quite manageable for a large firm. But just imagine a small mum and dad business out there providing cakes to a few shops in the Australian marketplace. They then find they have a competitor and they employ a few people to assist them in the work. What happens? They are faced with a downturn in their market and have to shed
staff. For every year the employee has worked the business is faced with redundancy payouts of four to eight weeks of pay. That is simply not possible for a lot of small businesses which, by definition, have fewer than 20 employees.

So when the Australian Industrial Relations Commission made the flawed decision to remove the exemption from redundancy pay obligations for businesses with fewer than 15 employees, we decided to replace it. Unless we replace this exemption, small businesses throughout Australia will be affected. The growth we have seen in the number of jobs across Australia—1.3 million new jobs have been created—will be jeopardised. Some 3 million people are employed by small businesses across Australia. This impost of having to make redundancy payments to anybody who is laid off because of changes in the market situation will threaten the viability of small businesses across Australia.

We certainly do not plan to stand by and watch the Labor Party, in their normal way, jeopardise this viability. They stand firm in their opposition to other workplace initiatives we have introduced in the past, like the unfair dismissal bill. This bill will go a long way to assist in removing from small businesses with fewer than 15 employees the redundancy obligations imposed under the jurisdiction of the Australian Industrial Relations Commission. It cancels the effect of any variations made by the AIRC from the time of the decision until the legislation commences. This is the type of legislation that is important for the viability of small businesses. This is the type of legislation this government is committed to because we are committed to small business, to the strength of the economy and to reducing interest rates for businesses across Australia, and we are going to see this happen.

Debate interrupted.

**ADJOURNMENT**

The SPEAKER—Order! It being 9.00 p.m., I propose the question: That the House do now adjourn.

**Deakin Electorate: Automotive, Manufacturing and Technology Skills Centre**

Mr BARRESI (Deakin) (9.00 p.m.)—The House may recall that one of the issues I have been advocating for in my electorate of Deakin has been the establishment of a school based automotive manufacturing and technology skills centre.

Since 2001, I have been working with the Principal of Ringwood Secondary College, Mr Michael Phillips, to address the skills shortages that exist in the outer east of Melbourne. It is a practical response to the acknowledged shortage of traditional trades and the fact that 70 per cent of school leavers do not go on to university. Our main emphasis has been on increasing access for local students wanting to pursue careers in the automotive and manufacturing sectors.

I am pleased to inform the House that, following representations to the Prime Minister and the Minister for Education, Science and Training, the federal government recently approved the proposal for a centre to be built at Ringwood Secondary College, initially costing some $297,000. This is great news for our area and news that Mr Phillips and the associated schools, businesses and employment service providers were glad to hear. The creation of this AMTC will allow students from schools in the region such as Maroondah Secondary, Parkwood Secondary, Aquinas College, Southwood Boys Grammar and Heathmont Secondary to attend the centre and receive first-class tuition, with facilities to match. The AMTC will include a robotics component, which will put
the trainees at the cusp of developments in the automotive and manufacturing industries. Another important element is that students wishing to participate in these programs can do so in their own community rather than having to commute to and from TAFE.

The launch of the AMTC was also music to industry’s ears because of the declining numbers of apprentices, particularly in the automotive sector. In some cases, the number of apprentices has dropped to dramatically low levels in fields such as airconditioning, radiator repairs, exhaust fitting, wheel alignment, glazing and accessory fitting, to name a few. In the original submission prepared by Ringwood Secondary College and Eastern Industry and Education Partnership, the auspicing body, it was reported that the statistics identify a potential skill shortage in eastern Melbourne in the fields of mechanics for light vehicles and heavy vehicles, panel beating and vehicle sales. This model allows first-class teaching and learning to take place on the back of strong business partnerships.

For many years it has been acknowledged that the eastern suburbs of Melbourne have had a skills shortage in the traditional metal trades industries. I am pleased to see that, rather than simply talking about it, the people out in the eastern suburbs of Melbourne, with my support, have actually done something about addressing the dramatic shortage in those areas. Full credit must go to Michael Phillips and the Eastern Industry and Education Partnership. They have worked to forge strong and hopefully lasting relationships with local businesses to ensure the students receive a well-rounded practical experience. Companies like Australian Automotive Air—one of Australia’s largest manufacturers of airconditioning systems to the automotive manufacturing industry—and other companies such as ANCA Engineering, which specialises in precision technology, will play a pivotal role in the development of the budding mechanics and manufacturing specialists.

On the actual day of the announcement I was pleased to be joined by the member for Casey and the member for Menzies, who attended in support of schools in their electorates that will be involved in this project. I would like to take this opportunity to congratulate Mr Joe Pollock, who is the Chairman of EIEP, and Mr Dene Milner and Mr John Davidson, who are also from EIEP, for their hard work in getting this project up. In particular, though, I would like to pay tribute to the passion and commitment that the Principal of Ringwood Secondary College, Mr Michael Phillips, has displayed in the promotion of this concept. We are indeed fortunate to have such enthusiastic people in our education system. I look forward to the first car going up on a hoist and the first graduate emerging from this wonderful local program.

National Security: Terrorism

**Mr DANBY (Melbourne Ports) (9.04 p.m.)—Tonight I want to focus on the continuing threat of terrorist activities to Australia. Despite the terrible events of 11 September 2001, the Bali bombing of October 2002 and the Madrid train bombings of March this year, there are still some people who kid themselves that this could not happen here. Last month, however, we were given absolutely undeniable evidence that terrorist activities have been planned in Australia. We have this evidence from an unimpeachable source—namely, the man who did the planning: Jack Roche, known to his friends as Jihad Jack. Roche recently pleaded guilty to charges that he conspired with others to blow up the Israeli embassy here in Canberra and planned killing other people in Melbourne and Sydney. He was sentenced to nine years imprisonment, with a nonparole period of 4½ years. Since Roche has been in custody from November 2002, this means he will be eligi-
ble for parole in April 2007, less than three years from now.

This, in my view, is an inadequate sentence for a man who voluntarily entered into a conspiracy to destroy an embassy in the heart of Canberra with a truck bomb. Had his plan been carried out, it would have produced a loss of life comparable to the Oklahoma city bombing, which killed 168 people. As Judge Healy himself said, this was not a ‘feeble attempt’ but a ‘realistic conspiracy’. Roche entered into this terrorist plan fully aware of what he was doing and only withdrew when directed to do so by none other than Australia’s old friend Abu Bakar Bashir. That is why I wrote on 8 June to Damian Bugg QC, the Director of Public Prosecutions, asking that he review the leniency of the sentence imposed on Roche. It seemed important to me that the sentence imposed on Roche be sufficient to deter people who might seek to emulate him. The DPP, Mr Bugg, has now agreed to appeal Mr Roche’s sentence.

Roche fingered Abu Bakar Bashir as his controller during his very significant testimony in court. Given Roche’s testimony, Bashir clearly lied in the aftermath of the Bali bombing when he denied any involvement with terrorism. The Asian Wall Street Journal was surely correct in its recent editorial that said:

… Roche has made very strong allegations that tie everything together, and these have passed muster to be presented as evidence in court. So surely this makes a compelling argument for Indonesian prosecutors to air evidence within their own jurisdiction. The best way to do this would be to put Bashir on trial.

Unfortunately, Roche is not the only Australian who has been foolish enough to travel to Pakistan or Afghanistan to be trained in how to carry out terrorist acts. We have also seen the sad cases of David Hicks and Mamdouh Habib, who are currently paying for their folly at Guantanamo Bay. US authorities have decided to begin formal proceedings against Hicks, and I hope they will do so against Habib soon. I agree that the Australian government must investigate whether Hicks and Habib have been subjected to unnecessarily harsh treatment in Guantanamo Bay. Moreover, it is absolutely appropriate that, if they are found guilty, they are brought here to Australia to serve their sentence.

That does not mean, however, that I have any sympathy for Hicks and Habib. They knowingly chose to train with the Taliban or al-Qaeda, with the intention of engaging in terrorist actions against innocent people. Current attempts to glamorise Hicks or portray him as a martyr as in the so-called documentary The President versus David Hicks, screened on SBS in March, do not reflect the commonsense view of most Australians. Ironically, it is this sympathetic film about Hicks and his ilk that will lead Australians to have fewer illusions about him. He said that his reason for training with al-Qaeda was to ensure that what he called ‘the Western-Jewish domination’ was finished ‘so we live under Muslim law again’.

Hicks, in his own words, seems to be an ideological fundamentalist, a bigot and an enemy of democracy. As an Australian citizen he is entitled to justice—but not the kind of fundamentalist justice Islamists would mete out to us here in Australia if they got a chance. He is entitled to fair treatment, but he is not necessarily entitled to the sympathy of Australians who value the multicultural, pluralist and tolerant democracy we have built in this country.

Aston Electorate: Water Management

Mr PEARCE (Aston) (9.08 p.m.)—Mr Speaker, I realise how sought after these positions are in the adjournment debate, and I thank you for giving me the call. On Thurs-
day, 10 June this year I had the opportunity

to visit the manufacturing facility of Davey

Products in Scoresby along with the local

state member, Mr Kim Wells. As you know,

Mr Speaker, Aston has a large and diverse

local economy, and my visit to Davey Pumps

was part of my ongoing program of local

business visits. But this visit was about more

than just the local economy; it was also

about the local environment. I was very keen

to discuss with the team at Davey Pumps

practical ways that home owners and busi-

nesses can support efforts to conserve our

water supply in Australia.

The Howard government has made an un-

precedented commitment to environmental

sustainability across all of Australia and is

investing more in the environment than any

government in our nation’s history. This

commitment has been marked by the devel-

opment of partnerships between government,

industry and the community and the intro-

duction of programs that identify and solve

environmental challenges not just nationally

but locally. By working together with a more

local focus, our collective efforts have been

able to achieve more effective outcomes.

That has been proven through programs like

the Natural Heritage Trust.

Of our current environmental challenges,

as we in this place all know, water is one of

the most significant. There are two key rea-

sons for this. The first is that Australia is the

second driest continent on earth behind Ant-

arctica, and the second is that Australians are

the largest consumers of water per capita in

the entire world. I am pleased to say that

Davey Pumps are certainly doing their share

to help conserve this important natural re-

source. This Australian owned, Aston based

manufacturer has created an innovative new

water controller which can reduce household

demand for mains water by up to a massive

40 per cent. The water controller, known as

RainBank, automatically switches the water

source from the domestic mains to rainwater

in a household tank when a toilet is flushed

or a washing machine used. You attach it to

your tank, and instead of using high-quality

mains-supplied drinking water for flushing

the toilet and washing clothes the system

automatically switches over to use rainwater.

The potential water savings nationwide

are absolutely enormous. Household toilets

and laundries use the equivalent of around

5,000 Olympic sized swimming pools of

quality drinking water a week. I understand

that this is the only such product available

and has significant export potential, which is

great news for Australia and of course for the

local economy in Aston.

To demonstrate the significance of this in-

novation, I can tell you that RainBank, in-

vented and developed by Davey Pumps, re-

cently won the Savewater 2004 award for

product development and commercialisation.

The investment of Davey Pumps in this new

product is another positive boost not just for

continuing employment and economic

growth in the local community but also for

the environment. Davey Pumps is not just

talking green; it is acting green. RainBank is

an Australian innovation which can make a

substantial contribution to addressing our

national shortage of drinking water, as well

as delivering yet another export boost to

Australia and to Aston.

I want to thank David Cleland, Max Ekins

and all the team at Davey Pumps for hosting

me and I commend them for their tremen-

dous work in the area of water conservation.

In particular, I want to congratulate Mark

Lance, whom I had the pleasure of meeting

and who is the man responsible for inventing

and developing the RainBank product.

Davey Pumps has been going strong for

around 70 years and, with continued innova-

tions like RainBank and with support from

the Howard government, I am confident that
it will continue to thrive for the next 70 years.

Shipping: Salvage

Mr MARTIN FERGUSON (Batman) (9.13 p.m.)—I rise tonight to speak on the issue of ship salvage, an important issue for Australia in terms of environmental, safety and economic considerations. In doing so, I suggest that the Howard government has left the Australian shipping industry hanging out to dry. The Minister for Transport and Regional Services pretends to have a personal interest in shipping issues, based, he says, on being a primary producer and an exporter. But then he declares that we are a nation of shippers, not a shipping nation.

The voyage permit system has been systematically and deliberately used to create a loophole to bypass the cabotage rules. Coastal trade has been liberalised so that more and more foreign vessels are servicing our coastlines, to the detriment of Australian jobs. The government has completely disengaged from the process of industry reform, and this has had a major impact on the local industry. Unlike the current government, Labor believes that our shipping industry is important. We must retain an Australia shipping industry, because Labor believes that we can be a nation of shippers, as well as a shipping nation. Labor is therefore committed to stopping the liberalised misuse of permits to create unfair advantage for foreign operators, to the detriment of Australian jobs and industry development.

This brings me to the issue of salvage capability—another essential element of a strong Australian shipping industry. I say this evening that it is about time that we as a nation accepted that without a proper salvage industry maritime incidents could potentially become major environmental, economic and safety issues. I refer to the *Ship salvage* report tabled yesterday by the House of Representatives Standing Committee on Transport and Regional Services. This report correctly recognises the need for salvage capability at designated Australian ports. The inquiry was instigated in response to a report by the Productivity Commission that recommended, wrongly, that harbour towage and salvage operations should be opened up to market forces. The standing committee appropriately sought to assess the implications of this recommendation for Australia in terms of potential safety, environmental and security risks at harbours and ports and the need to ensure that the public interest is met with regard to maritime incidents. This is something that the Productivity Commission failed to give proper attention to.

Labor believes that if the Productivity Commission’s recommendations are acted upon it is likely that this will bring about a reduction in salvage capacity in Australian ports. Labor believes that Australian ports and harbours must have access to Australian salvage services. The House of Representatives Standing Committee on Transport and Regional Services, I am pleased to report, supports Labor’s view. The committee’s report made a number of key recommendations, including, firstly, that the Australian Maritime Safety Authority, in consultation with the industry, should determine the most strategic placement for salvage capability at Australian ports. Secondly, it recommended that additional revenue be raised to support the continued provision of salvage and that the costs be met through a three-way split between industry and the state and Commonwealth governments. Thirdly, the committee recommended that the company which provides salvage capability be paid a subsidy to cover the costs incurred. Fourthly, it recommended that the three-way funding arrangement be reviewed every three years.

In light of the committee’s report, which I commend to the House, on behalf of the
committee, the parliament and, more important-ly, the Australian community, I therefore call upon the Minister for Transport and Regional Services to urgently respond to the issues raised by the committee and the rec-
ommendations, and to provide an undertaking to the maritime industry that the govern-
ment will support the committee’s recom-
nendations. We believe that Australian ports and harbours must have access to salvage
capacity to correctly ensure, firstly, the safety of seafarers; secondly, the security of our ports and harbours; and, thirdly—and importantly—the protection of our marine environment. This report must not meet the same fate as many previous reports and recom-
mendations on the shipping industry that have become dust collectors in the minister’s office. It is about us as a nation facing up to our responsibility on the salvage front. I call upon the minister to act seriously in response to the cross-party report on salvage for the sake of Australia’s environmental future. (Time expired)

Northern Territory Government

Mr TOLLNER (Solomon) (9.19 p.m.)—Every now and again it becomes important in this House to put aside the business of this government and to stand up for Territorians and those who believe in the Territory. I join with others in this House in representing those who, through no fault of their own, have come up against the intransigence of bureaucracy. The rigid application of rules without concern for the individual and the catastrophic effects such rulings may have is almost a feature of bureaucratic government today. I cite two particular cases that have been brought to my attention in the past few days.

The first of these examples concerns a serving member of the Australian Defence Force. This young man, whom I shall not name for fear that he is further disadvan-
taged, was based in Darwin. He liked the place and, encouraged by the incentives of-
tered by the Defence Housing Authority and the government, opted to buy a modest resi-
dence in the city. Eligible for a first home owners grant, he successfully applied and prepared to move into his new home. Unfor-
tunately, he could not move in immediately, as building was delayed, and by the time it was ready he was called to active service in the war in Iraq. While he was away, his fa-
ther, who had power of attorney over his aff-
airs, rented the apartment out, as one would. Incidentally, the parents were unaware that their son had gained a first home owners grant or of the rules that applied to such a grant.

When he returned safely from overseas he was relocated to another city, despite his application to return to the Territory, and was therefore unable to occupy the premises. He has now received a letter from the Northern Territory Treasury informing him that, since he failed to occupy his flat within the first 12 months, he must repay the grant and also—and here is the sting in the tail—pay a pen-
alty of $7,000. That is a total bill of $21,000. My investigations into this case indicate that there is little room for discretion, but I say to this House: is this any way to treat a man who has gone to war for his country and who has, under orders, put his life on the line? I do not think so.

A very different case, but another which demonstrates the intransigence of government—again, the Northern Territory Treas-
ury—is that of Dick’s Pumping Service, a Darwin based concrete supply small business that has been running for 13 years. The company employs 18 people, plus four subcon-
tractors, and the managing director is a bloke called Graeme ‘Dick’ Leech. He has been handed a wet hire bill of $100,000, dating back to a time before July 2002, when that particular tax was abolished.
The back-tax came as a surprise—I should say shock—because the business does not hire; it delivers concrete to subcontactors on site and supplies the manpower along with the truck, equipment and concrete. However, the Northern Territory Treasury has assessed the business as one that owes wet hire taxes and, again, there is apparently no room for discretion. To the Northern Territory government, $100,000 is a drop in the ocean but, for a small business, it can be crippling. The NT government ministers have refused to speak with the management of Dick’s Pumping Service and say that the matter is to go before the courts. That means that this business is now facing the expense and wasted time of battling its case in the courts and is tied up in a dispute which saps its energy and prevents it from getting on with its real business.

One has to wonder why the Territory government, in pursuit of extra tax dollars, would threaten to close down a company which supplies some 70 to 80 per cent of concrete pours just as Darwin is entering a new phase of big project construction. The government is fond of saying that it consults with business and cares for individuals. I think these two cases are just two of many that show that the rhetoric we hear from the NT parliament is just that—rhetoric. Out there where people live and work, people experience a very different government: one of regulation, intransigence and the application of rules without reference to the realities of people’s daily lives.

Afghanistan

Ms BURKE (Chisholm) (9.23 p.m.)—Tonight I want to talk about a forgotten people—the people of Afghanistan—and their forgotten war. One of my local residents Dr Nouria Salehi recently spoke to a group in Ashwood and said:

Afghans are in search of peace and stability. The best way to ensure this is through education and training.

Nouria, a native of Afghanistan, is a nuclear physicist by training and currently works in nuclear medicine at the Royal Melbourne Hospital—that is when she is not fundraising for Afghan development projects and travelling to Afghanistan to investigate new vocational training projects. Nouria was raised and educated in Afghanistan, then lived in France for 14 years and has now lived in Australia for the past 21 years. She is very active in the Australian Afghani community, speaking on their behalf and encouraging Australians to financially support the rebuilding of Afghanistan.

Millions of youth and children in Afghanistan continue to be the victims of 24 years of war. Of a population of 26 million, 48 per cent are children under 15 years of age. That is around 12 million children. Only four million of those children have any access to education, adequate health care or proper shelter. The people are poor. Poverty reigns and lawlessness is common. There is very little infrastructure. Nouria described a recent driving experience on her latest trip to Kabul where a 20-kilometre trip took approximately three hours. It was easier to walk the distance. Transport of goods is subsequently also unreliable and very difficult. The cities are overcrowded and bursting at the seams.

The city of Kabul was built to service and house a population of 500,000. Over 3.2 million Afghans now live there. It is intensely overcrowded, with over two-thirds of the city’s buildings destroyed and most houses providing accommodation for up to 40 people—one room per family. One-tenth of the city belongs to the American military—namely, the American embassy compound and American staff housing. This part of the city is walled and no Afghans are permitted
Despite this difficult set of circumstances, the Afghani people are quite happy and hopeful. Nouria says this is a positive change from her previous visits, but change and improvement is slow.

Nouria is promoting a project called ‘From guns to pens’ in an attempt to redress the terrible state of current funding for development projects in Afghanistan. The Australian government’s commitment to restructuring is limited. While $85 million is earmarked for relief efforts, much of that is outsourced to various NGOs, who subsequently take a cut and then outsource the aid work. This trickle-down effect ensures that only a small proportion of what is designated for relief actually reaches those that it was meant to help. On the ground it appears that American rebuilding funds have been diverted to the war in Iraq. The biggest risk now is that poverty leads to war, and the Taliban are still very active in the south and east of the country, especially along the border with Pakistan. There are now over 7,000 schools to train Taliban followers, teaching children to become terrorists. This is up from 300 schools in the 1970s, so it is essential that relief and development funds counteract the effects of the religious radicals and ensure that Afghanistan can rebuild and develop its own natural and man-made resources, including carpets, emeralds, natural gas, fresh and dried fruits, tourism and oil.

On her most recent visit to Kabul last month, Nouria found 600 children sitting outside attending classes at the site of her latest project, a community vocational training centre with an onsite medical facility. The children had no access to classrooms or equipment—no pens, paper, books or blackboards—just a desire to learn and for a place to sit. Nouria searched for a way to provide school facilities for the children and was able to enlist the assistance of the Japanese embassy. The embassy has offered to help build eight classrooms on top of the community centre, with half the children to be accommodated in morning classes and the other half to attend in the afternoons. The land for the community centre belonged to Nouria’s mother, who has donated it to this community project.

Nouria has already put in place a number of successful projects to train children and adults in numeracy and literacy skills. The projects are small in scale, usually training 60 people at a time, with $50,000 needed and raised in Australia to set up home businesses, such as artisans and dressmaking, whereby each person trained is a family supported and each is eventually able to train and possibly even employ others. These training projects will enable many of the unemployed to go back to work, and Nouria states that this will make it less likely that they will go back to the warlords, the Taliban and their guns.

Nouria’s latest project, ‘From guns to pens’, hopes to educate about 60 students in basic accountancy; managerial methodology and administration; and teaching, including peace education. The outcome of the workshops is to enable the students to have a better understanding of contemporary administration and also to empower them to practise their learning with increased confidence in their workplace. A sum of $28,000 is envisaged necessary to get Nouria’s newest project off the ground, with $5,000 already collected. This will put Afghans back into work currently being done by foreigners. Nouria’s drive and commitment need to be rewarded. We need to remember her people, who are still suffering—those who need our assistance to rebuild their shattered lives.

Question agreed to.

House adjourned at 9.29 p.m.
NOTICES
The following notices were given:
Mr Truss to present a bill for an act to amend the law relating to agriculture, fisheries and forestry, and for related purposes. (Agriculture, Fisheries and Forestry Legislation Amendment Bill (No. 2) 2004)

Dr Nelson to present a bill for an act to grant financial assistance to the States for 2005 to 2008 for primary and secondary education, and for related purposes. (Schools Assistance (Learning Together-Achievement through Choice and Opportunity) Bill 2004)

Dr Nelson to present a bill for an act relating to the grant of financial assistance to the States for primary and secondary education, and for related purposes. (States Grants (Primary and Secondary Education Assistance) Legislation Amendment Bill 2004)

Dr Nelson to present a bill for an act to amend the Vocational Education and Training Funding Act 1992, and for related purposes. (Vocational Education and Training Funding Amendment Bill 2004)

Dr Nelson to present a bill for an act to amend the law relating to assistance for Indigenous education, and for related purposes. (Indigenous Education (Targeted Assistance) Amendment Bill 2004)

Mr Vaile to present a bill for an act to implement the Australia-United States Free Trade Agreement, and for other purposes. (US Free Trade Agreement Implementation Bill 2004)
Debate resumed from 21 June, on motion by Mr Abbott:

That the House take note of the paper.

Mr BEAZLEY (Brand) (4.36 p.m.)—I am pleased to acknowledge one Tasmanian member here, Mr Duncan Kerr, as we set out a tribute to a great Australian political figure and a great Australian Labor leader, an unexpected Labor leader for Tasmania. He was an accidental Tasmanian, as he used to joke. At the time he became a Tasmanian he was in fact a Western Australian official of the builders labourers union in Western Australia, where I knew him slightly. He went to Tasmania, he liked to joke, to represent the union at the funeral of the then state secretary. He found himself trapped by Norm Gallagher to take over the organisation of the union in Tasmania and then stayed there forever. He said that within a few weeks he realised that it was not a trap but he had found himself in heaven. He loved that state and the people in the state. He could not get enough of them either in the political sense or enjoying their social company, whether it be at the football or any other social location in which he found himself.

Our deepest sympathies go to Honey and to his children. Honey stood by his side throughout his premiership and through the terrible illness which has taken him away. She was such a wonderful helpmate and first lady of that great state of Tasmania.

Jim’s affection for Tasmania was reflected in his affection for the character of Tasmanian society. Tasmania in many ways has the attributes of old Australia: respect for one another, respect for the labour movement, respect for egalitarian principles, respect for what governments can do for societies and communities and respect for the opinions of others. These are manifestations, for those of us who have been privileged to campaign around the country as I have, missing from many other parts of the nation but very much prevalent in Tasmania. A quiet style of reflection suited the personality of Jim Bacon. Jim was a very radical man indeed. I notice that in some of the obituaries his sister, a journalist, said that he never lost the radicalism of his university days which saw him in a Maoist faction—not an unusual position for many people to be in, might I say, during the course of the 1970s. The Premier of Western Australia was a Trotskyite at the time, so a conversation between the two of them, had they had one, would have been something truly illuminating.

He was a radical personality. That radicalism was reflected in not walking back from ideological positions he had adopted; it was just irrelevant. His was a radicalism of the heart as much as the head, and he was perfectly prepared to see it manifest as much in the decent way in which he treated his fellow men and women in Tasmania, looked after their welfare and sought a good direction for their lives as in any theoretical debate about the socialisation of the means of production, distribution and exchange. He was perfectly happy to have no roads to Damascus away from his youthful convictions. He was simply always on the same road, whether it was in the union movement or as a politician. He was always on the same road to social justice as he saw it in a state where such attitudes were very necessary.
The Tasmania he inherited was a Tasmania that worried all Australians. It was a Tasmania of declining population, a Tasmania of declining opportunity, a Tasmania without young people, a Tasmania with declining values in real estate. It was a lovely place—the best possible place to take a holiday and a marvellous place to tour but a place with no real opportunities to stay. This worried him terribly. It worried him as a person who was an organiser of the Labor movement, because jobs were at stake there. It worried him as a civic father when he entered into political life, because he was responsible for the circumstances in which he found himself, whether he created them or not. So as premier he set about turning Tasmania around.

Tasmania is a very different state now. You can see it in the values of real estate down there—and, while I am not altogether sure that all Tasmanians are cheerful about that particular development, some are an awful lot wealthier as a result of it. You can also see it in the development in Tasmania of the knowledge economy—that notion that you can, with contemporary technologies, develop anywhere you choose to develop. You do not necessarily have to be adjacent to sources of raw material, large amounts of skilled labour or large supply markets as with older industries. They have proved the point in Tasmania that the new economy is one which exactly suits the character of the society that is extant there. Jim Bacon teased all that out and made it obvious to all Tasmanians. He showed that there was an opportunity here for the state to get back on its feet, largely by lifting itself by its own bootstraps—and, while the people there were always pretty proud to be Tasmanians, this made all Tasmanians really proud and, more importantly, determined to stay Tasmanians. That is the legacy he left his state.

For us in the Labor movement—and I want to conclude on this—we all have our personal memories of Jim Bacon. As I said, I knew him vaguely when he was a young man in Western Australia. I knew him very well when I was leader of the federal Labor Party for roughly the same period of time, give or take the odd year, that he was Premier of Tasmania. He was an enormously helpful man, who was enormously willing to put himself out to assist us in the federal Labor Party and proud of the fact that he presided over a state Labor Party which returned a shut-out as far as federal members from that state were concerned. He had a strong belief that the state deserved to benefit for that from the election of any federal Labor government, and he was willing to come up with good ideas and share them with us. He was not jealous of them, keeping them to himself for a state election campaign, but he gave them to us to run through in a federal election.

He was surprised from time to time by the character of federal politics. I remember once campaigning down there during the course of the federal election. In an election, the federal Leader of the Opposition carries, as does the Prime Minister, an enormous press entourage with a very high level of demand for news from him instantly. Jim came to do a joint press conference with me. We had done a few before, but they were basically with two or three journalists who would turn up from the local radio or television stations or newspaper in Tasmania. This was a huge, all-court press of 40 or 50 people desperately trying to get to us their questions—hypercritical questions, attack questions, and questions to find the worst possible conclusion from anything you might have to say.

Jim said to me, ‘Kim, are you in crisis?’ I said: ‘No, Jim, this is what it’s like all the time. This is not a crisis gathering down here. This is actually very relaxed and we’re going to get some good footage out of today, courtesy of you. There’s no crisis on here.’ But I thought to
myself: if it were a crisis, you could not have a better bloke alongside you to keep you calm and give you advice.

We will miss him terribly. Many of us anticipated that we would have a chance this winter to go to Tasmania to see Jim before he went. That was not to be. We miss him terribly, and we will miss him terribly. We have the deepest sympathy for Honey and the boys and enormous pride in the way in which Honey has conducted herself since the illness of her beloved husband. She will have many friends for the rest of her life.

Ms GEORGE (Throsby) (4.46 p.m.)—I take this opportunity to put on the public record my sincere sympathy to Honey Bacon, to Jim’s sons, to his sisters—to Wendy in particular, whom I have known personally for many a decade—and to Jim’s mother on the passing of her beloved son on 20 June. His stunning political career was tragically cut short by inoperable lung cancer, which he battled, as we knew he would, with all the courage and determination that marked Jim out as a very special person.

Jim Bacon was a fine human being. I was privileged to have known him and to have worked closely with him in our respective trade union roles prior to Jim moving into the political arena. I think Jim Bacon was pretty typical of many people of my generation. The member for Brand alluded to that. His first involvement in political activity, like mine, was in opposition to the Vietnam War, which became a very radicalising experience for him and led him for a period to be very active in the Maoist movement, for want of a better word.

Jim did very well at school. He was obviously very gifted academically, because he won a bursary and a scholarship to study at university. Only recently I read that his father, a doctor, died when Jim was a young man. Interestingly enough, it turns out that his father, Dr Bacon, was in fact the family doctor of the Lennon family in Melbourne. So his dad departed at a very young age and his mum was left to raise five children. So Jim would have known at first-hand the struggles of ordinary people to make sure that their offspring had the advantage that education would bring.

No doubt Jim did very well at university. I did not know him then, but I am not surprised that, instead of going on to work with the kinds of experiences that a tertiary education would give you, he went to be employed with the Builders Labourers Federation, working in his early years as an organiser in Melbourne and then going to Western Australia to work at Karratha. In 1980 he moved to Tasmania as secretary of his much-loved union. The BLF was a tough union in a very tough industry. It is through the efforts of people like Jim and his colleagues that unskilled construction workers were able to achieve significant improvements in their working and living conditions and their wages and were able to feel that the value of their productive labour was appreciated by all.

My path crossed Jim’s more frequently after his election to the position of Secretary of the Tasmanian Trades and Labour Council in 1989. That in itself, for those of you who know Labor history in Tasmania, was a remarkable and incredible achievement as it was a union movement not noted for its militancy or radicalism. Jim himself was the representative of a numerically small union on the left of the political spectrum, one which had been through a very turbulent period. During that turbulence, one did not necessarily agree with all the positions that the BLF adopted, but I know that Jim was forever loyal to his friends and comrades and to those who had given him his start in the labour movement.
I think Jim was able to achieve the position of secretary of the labour council, despite the smallness of his union and despite the fact that he was very much positioned on the left of the political spectrum, thanks to his innate qualities as a person, his ability, his experience and, above all else, his humility. Coming from a very macho industry and union, Jim Bacon was really the antithesis of the stereotype that is all too often drawn about the BLF and its membership. I found Jim to be a kind, considerate and, in the member for Brand’s words, calm and gentle person, fiercely loyal especially to his colleagues and friends. He had all those lovely personal attributes—not as any sign of weakness but as the antithesis to the stereotypes that had been drawn about the BLF.

In no way did these personal qualities detract from his very strong and passionate commitment to issues that formed the core of his passion for the labour movement and issues that were important in creating a better Australia and, for him, a better Tasmania. Those passions included looking after the interests of those less fortunate in our society and making sure that working people had the benefits of protection that unionism provided. He was especially concerned about the rights of Indigenous Australians and later was most concerned about the divisions occurring in his own society on issues such as gay rights.

He made a very significant contribution to the work of the ACTU executive, on which he represented the state of Tasmania. I remember travelling at that time to Tasmania and Jim taking me to his first home overlooking the beautiful river. As you know, he came from outside the state of Tasmania, but in a short period of time he became part and parcel of Tasmania. I think his election to the position of premier and the achievements that we saw under his leadership have made Tasmania a much better place. A lot of credit goes to the efforts that Jim and his team made in that state. The Hobart Mercury in its editorial stated:

Tasmania has lost a great enthusiast for this state, a peerless salesman for this small island, a consummate politician and a passionate advocate for equality of opportunity. Jim Bacon was the right man at the right time for this state, a relentless, fearless champion for Tasmania and Tasmanians. While there might be opponents who could argue about his policies, no-one could argue that in his heart he put his state and its people first.

I think the people of Tasmania grew to love Jim too, despite the nasty politics that were played out by his political opponents when he first ran for election. There were those who wanted to try to denigrate his potential to lead the state by virtue of his earlier associations and work with the Builders Labourers Federation.

But, undeterred, Jim struggled through that difficult period and, when the people of Tasmania got to know him in a real way—not as the caricature of him that was portrayed by his political opponents—I was not surprised that Jim went on to lead Labor to another substantial victory in 2002. He has been rightly credited, along with his team—David Crean, the then Treasurer—with making sure that the economic fortunes of Tasmania were turned around. I think he gave Tasmanians a sense of belief in themselves, hope for the future and not just a place where one would visit but a place where one would want to stay.

His time in public life was all too short, but he certainly left his mark. He has left huge shoes to fill, but he has also left incredible memories for all who, like me, were privileged to have known him. I particularly hope that in this very difficult period for Honey and Jim’s family—this time of immense grief—they will all find solace in the high regard and affection
in which Jim was held by all who worked with him and knew him and the huge response that his death has received from the length and breadth and across the wide diversity of the citizens of Tasmania.

Mr Kerr (Denison) (4.56 p.m.)—In the House the Prime Minister and the Leader of the Opposition made eloquent remarks regarding the place that Jim Bacon will have in Australia’s political history, and it is most appropriate that today the former leader of the Labor Party, the member for Brand, whose period of service as leader of the Labor Party at a federal level largely coincided with Jim’s period as premier of the state, has spoken, as has a former colleague of Jim’s who was a national president of the Council of Trade Unions, because Jim’s history was as a participant in the political process since his university days, as a leader of the trade union movement and as a leader of his state.

There was always a certain touch of grandeur about Jim. There was something potentially mesmeric in the way he was able to communicate his passions and beliefs to a large audience. On numerous occasions I had the opportunity of being with him when he was speaking to groups, large or small, and he could have been engaged in all kinds of business beforehand—sometimes he was no saint, and he could have been involved in sharp disputes—but he could walk out in front of an audience and communicate to them something of himself and something of the importance of the issues about which he was speaking.

As an individual passes, each of us sees them through different prisms. I have had a long association with Tasmanian Labor. For 16 years, I have been an elected member representing the seat of Denison—a seat with the same boundaries as the state seat that Jim Bacon later contested, held and served as premier. Under the Hare-Clark system of Tasmania, the federal and state seats coincide, and a number of state members are elected for each of those divisions. So our association goes back a long way. It was an association that was marked by turbulence. There were periods where our relationship was one of immense affection and friendship, and there were other periods of sharp disagreement on particular issues, but I know that he had that nobility. Even at the times when those disagreements were at their sharpest, you could recognise, in the stature that he had and the dignity that he presented, that he was doing something important for his state.

Everyone does reminisce in these things, and I go back too to the days of Monash University. My association with Jim Bacon at that time was peripheral. It has been mentioned that he was a radical member of the Maoist grouping at Monash University. I was a student at the University of Tasmania and, after my first year at law school, I took the occasion to do what was then more easily done by students: take a year off to travel and work around Australia and New Zealand. After leaving Tasmania with mere hope and $50 in my pocket—that was for a year; it seems outrageous to me now but, nonetheless, that was my opportunity to see the world, as it were—I turned up in Melbourne, where I knew nobody. I thought I might get a friendly reception at the universities, and I went out to Monash University, where I secured a job on Lot’s Wife, which was edited by a man called David Dunston. I was the layout artist. I had never been a layout artist, and have never been a layout artist since, and I do not profess any great profundity at the art, but those were the old days of Letraset and sticking copy on the paper. David Dunston was very closely associated with Michael Hyde. They were both members of the Maoist grouping, of which Albert Langer and Jim Bacon were two of the most prominent advocates and probably the ideological drivers. I shared a house for some...
months with David Dunston at Frankston in Victoria. My period of association with that newspaper ended when David was sacked by a general meeting of the student association at Monash University over some issue that was obviously immensely important at the time, of political significance, but which I cannot recall at all. Nonetheless, I remembered the mass meeting and the outrage and hysteria of the various political groupings that were then in place. It was a period of great excitement in Australia. It was a period leading up to the election of the Whitlam government. It was a period when Australia’s participation in the war in Vietnam was being contested and there were moratoriums. In all that, Jim Bacon played a very significant role.

I next came to know Jim Bacon as the Secretary of the Builders Labourers Federation in Tasmania. In that role, Jim played a very significant part in lifting the status and employment conditions of unskilled workers, and he also played a larger role within the Tasmanian labour movement. Ultimately, as a result of that, he became Secretary of the Tasmanian Trades and Labour Council. That was, I suppose, a first, because I think he was the first person associated with the Left who had held that position. It was a very substantial transformation in that environment. This was at a time, again, of significant political debate in Tasmania. As Secretary of the Trades and Labour Council, Jim participated very vigorously in many of those debates—sometimes to do the discomfort of the state Labor government of the day. But that is what trade unions do. That is the role they play. They cannot be simply a clone of the political party that they caused to exist. Certainly Jim grew in stature as he served as Secretary of the Trades and Labour Council. Through the period of the Gray government and then the Rundle government, Jim emerged as a very significant social critic, somebody who spoke out in key areas of social policy as well as on industrial policy. That enhanced his stature and his ability to present himself to the community as a person who understood Tasmanian issues.

Jim Bacon was elected to the Tasmanian parliament at a time when Labor was becoming competitive again, after a long period of internal disintegration and unhappiness. I might on this occasion say that there was a very dignified transfer of power between Jim and the former Premier and then long-term Leader of the Opposition in Tasmania, Michael Field. I should record that that transfer reflects extraordinarily well on the generosity of spirit particularly of Michael Field, who had carried the cause of Labor in the parliamentary sphere for a very long time and under very difficult conditions and who probably, in all fairness, could have expected to serve again as a Labor Premier. But, in recognition of the fact that he had been politically damaged by events which were unfair and in which he could not have done other than he did, Michael Field saw that there was an opportunity and that it was time for change. He passed the baton to Jim Bacon at a time when Jim was able to present himself to the community as a leader without the baggage of the past. That was a platform, built largely on the decade of work by Michael Field, that enabled a new Tasmanian Labor government to be formed, and to be formed as a majority government.

The Bacon government transformed the fortunes of Tasmania. There are a couple of key issues that were addressed, and the first was the sale of the Hydro. It is perhaps difficult to understand here the importance of that issue to Tasmanians, but the former Rundle government had proposed the partial sale of the assets of the Hydro and was moving in a direction towards full privatisation. It argued that the state’s debt problems required that radical solution. There is some plausibility in that argument, but Jim Bacon came up with another plan. I do not wish

MAIN COMMITTEE
to displace his key role in all this, but he had substantial assistance from David Crean, the brother of the recent Leader of the Opposition. David Crean provided economic credibility to the arguments that Jim was putting forward. If not for Jim’s and David’s powerful counter case that the Hydro could be maintained as a central part of the core infrastructure of the state, that it was not necessary to privatise it, that we could in fact turn around Tasmania’s fortunes without it, Tasmania’s political future would have been very different. They made that case very effectively and very well.

Previous speakers have referred to the extraordinarily vicious campaign that was mounted against Jim Bacon and Paul Lennon, now the Premier of Tasmania, who contested the election before Jim became Premier. The attacks were particularly directed at Jim. Paid advertisements by the Liberal Party depicting him in particular as a union thug go down as one of the low points in Australia’s political history.

Mr Adams—He got a record vote.

Mr Kerr—He did get a record vote, and I hope that we will never again reach a point where someone’s participation in the industrial side of Labor is seen as a negative in terms of their electability. We are entitled to be judged on what we can offer in the parliamentary process, not degraded if part of that public service has been as a servant of the industrial wing of Labor.

I got to know Jim very well. At the time, I was the only Tasmanian shadow minister for some period of time. We worked very cooperatively. We met on a private basis about once a month to discuss relations between the state and Commonwealth political interests. We reflected on our individual personal circumstances from time to time and I got to know him and Honey well. We occasionally had to manage differences of opinion. That is inherent in these kinds of relationships and roles, and it would be foolish to pretend that those difficulties and differences did not exist. Nonetheless, I thought overall the relationship was extraordinarily successful. Might I say the presence today of my two colleagues the member for Braddon and the member for Lyons is testament to the strength of Labor in Tasmania, a strength that has been contributed to by the capacity of federal and state Labor to work through sometimes strong disagreements in a way which has not ultimately damaged the cause of Labor in the state.

In those processes I can recall reflections and one of the things that Jim said to me which, sadly, cannot happen. He said to me, ‘I’m not one of these people who when I go out of public life will be looking for another career, like Paul Keating or Bob Hawke.’ He said: ‘I’m quite satisfied. I’ve got everything I want. I’ve got as much money as I’ll ever need. I live in a good house. I don’t understand why anyone would ever want to be more than I am now.’ I thought that was a pretty powerful statement about his contentment both with the job he was doing and with the people he was serving, and about his own sense of what was important.

Jim did me the honour of officiating at a function held a couple of years ago when I became the longest serving federal member for the seat of Denison. He was the master of ceremonies at that function and we had a very good night. All the usual villains of Tasmanian politics came out to play. Michael Hodgman, who was my predecessor, even made a cameo appearance. So there are a lot of affectionate memories.
In concluding this address I wish no more than to say that, when those who are close to us pass from us—our friends or close relatives—we really do not know the words to say. We always know that they were not perfect; we always know that there was something about them that we did not like or bits and pieces of their character or relationships with us that were tough at different times. But when they die it is not the time to mention those differences and certainly it is not the time for me to reflect on or mention any differences we had from time to time; they existed, and I think people know that. What it is time for, though, is reflecting on the human condition: how much we share, how much we owe to one another and how much we should honour that respect for service that Jim’s remarks reflected—that he saw what he was doing as so entirely fulfilling that nothing would ever challenge that in his life.

Everybody has quite properly mentioned the sad and personal loss that will be experienced by his wife, Honey Bacon, his sisters and his children. I can do no more than simply acknowledge that none of us speaking today will ever be able to assuage for them what must be a different kind of loss than we are acknowledging today. Ours is an acknowledgment of a public loss of a person important to public life in Australia; theirs is the loss of somebody whom they loved.

I will conclude by saying that it is fitting that, after the addresses and testimony towards his contribution in public life that were given by the present Prime Minister, the present Leader of the Opposition, the former Leader of the Opposition, a former President of the ACTU, the last three addresses on this condolence motion will be given by three of his Tasmanian colleagues. All of us join in this expression of respect.

Mr ADAMS (Lyons) (5.13 p.m.)—It was with great shock and great sadness that I heard that Jim Bacon had passed away on Sunday in his tremendous battle against lung cancer. And it was a very sad day for Tasmania and for all of us in the Labor Party; he had been a true friend to many of us. I can certainly remember his days as State Secretary of the Builders Labourers Federation. I remember his first day in Tasmania actually; there was a builders labourers conference held in Hobart and Jim had been appointed to take over the reins of the Tasmanian branch. I think I was the first to lead the old Trades Hall blokes into the political arena when I won Lyons in 1993, and the others all came after me.

Jim always took up the fight for the ordinary working man, as reflected by his early involvement in Maoist politics in Australia and also in the Builders Labourers Federation. He started off as a bit of a silvertail in one way, but I think after his father’s death his family fell on pretty hard times, and maybe that had something to do with his make-up as well. Jim knew what friendship was and dealt a lot on loyalty. He was a strong figure in putting forward his views but he believed strongly in loyalty and in friendship. He always took up workers’ views and he represented them with great force. He hated to see injustice being done, and he would always fight against injustice. The BLF was always in the forefront of fighting for labourers, and it is the idea of labourers getting nearly the same rate as tradesmen that has been a constant tension in the trade union movement over a long period of time.

When Jim came to Tasmania in 1980 with the BLF he was seen as a leader. He had a character about him that showed him to be a leader. When he was elected Secretary of the Trades and Labor Council it was part of a major change for the union movement in Tasmania. The old Trades Hall in New Town was a building that had offices built behind a very large old house, not quite a mansion but rather large. It had been used for wedding receptions and had
several large rooms. They were used as the meeting rooms. I think the Left had another Trades and Labor Council that was operating separately to the right wing Trades and Labor Council. The bringing together of those bodies meant there was a lot of pressure on that old building. I remember it was standing room only on many occasions. There were some suggestions that people were voting with both arms at the back of the room and that had to be sorted out. A lot of tension was starting to mount.

But change came and many trade unions reaffiliated at that time, and that certainly changed the Trades Hall. The entrenched rule at that time was that if you won the ballot you won every position in the Trades Hall, which was not really fair with the different power structures that exist within the trade union movement. After being elected secretary, Jim was one of those who helped change that, along with Des Hanlon from the AWU, Leo Brown from the Missos and many others. It was a very interesting time to be a part of those changes. The changes to the rules gave a broader base of representation to all the major groups affiliated with the council. It was a major breakthrough and a breath of fresh air for the movement. I was the returning officer at the Trades Hall at the time and it was tremendous to see so many unions reaffiliate with the Trades Hall. I was the first one elected on the new ticket as returning officer, which was an interesting proposition.

Jim was elected leader only a short time after being in parliament because I think the party knew that he had really good skills and so did the people around him. There were, as has been mentioned, terrible attacks in TV ads by the Liberal Party, trying to present Jim as a trade union thug from the builders labourers who wanted to dominate people, which was based on lies and trying to denigrate his career prior to him being elected to the parliament. That was a disgraceful effort which backfired. Tasmanians have had a tradition of electing trade unionists to the premiership, including Eric Reece and many others over the years, and I do not think they were going to accept this from the Liberals. I think Jim topped the poll in Denison and may have taken others in with him.

Jim was a sound, strong and purposeful leader who led his government well. At the time Jim was elected, Tasmanians had really lost faith in the political process. Politicians were not held in very high regard by the Tasmanian public. There had been a Green-Labor government which had basically failed. Labor went to 29 per cent of the primary vote as the people punished it for trying to govern with the Greens. A Liberal-Green coalition government was then elected. Under both those governments economic growth stagnated, the population declined and unemployment was high and grew higher.

Jim was a bit unknown when he first went in, but he soon used his negotiation skills to pull the Labor Party together. He pulled together all the factions and different groups to work together within the state parliamentary Labor Party, which was no mean feat. It had been through quite a bit of change and a fair few ups and downs. He developed a very strong team with his deputy, Paul Lennon, and his Treasurer, David Crean. Those three acted as a kitchen cabinet in the ongoing government. They headed out to fight to change the Tasmanian economy and build it back up. Those three were an incredible team with their complementary skills, and they carved out a whole new direction for Tasmania.

Jim believed in the power of the people, and he knew he had to change the feelings of Tasmanians if he wanted to change the direction of the state, so he engaged the people, and their faith in the political process came back. He started by undertaking skills and opportunity au-
dits, with extensive consultation around the community. His community forums in every small town and region were very popular. He took his cabinet with him, and cabinet ministers had to sit down at the table, along with the heads of their departments, the police commissioner and others, and listen to ordinary people’s arguments and problems that they could not solve. This was a great thing for the morale of the state, and I believe it rebuilt people’s confidence in the political process.

The introduction of two new ferries and then a third gave a serious and proper ferry link to the mainland, and it has been a major boost for the state’s economy. That, along with the retention of the Hydro and the expansion of power generation capacities for the state, led to a huge increase in the confidence of those wishing to invest there. Jim managed the whole sea change in Tasmania in a very short space of time, and I believe now we are leading the nation in innovation, growth and opportunity. My seat of Lyons particularly benefited from his leadership style. Many of my small towns had never been visited by anyone other than me and, occasionally, a few others, but Jim led everybody out to make sure he had everybody, from his cabinet down, listening to, helping, guiding and showing an interest in ordinary Tasmanians.

Jim was also a true friend of football. He championed all levels of the sport, and he was bitterly disappointed with the handling of a state-wide competition which came into being and fell over in Tasmania. We have traditionally had three areas of football—north, south and north-west—and we formed a state league with the aim of getting a team into the AFL. That did not work, and Jim was very disappointed with all that, because he saw opportunities for young Tasmanians who got into that team. But his love of football was well known and he was often seen at York Park or North Hobart Oval, especially when the AFL teams visited, and he was always checking out his beloved Essendon whenever he could and wherever they were playing.

Jim’s interests allowed the breaking of the parochial views of north versus south rivalry in Tasmania where, if something happened in the north, something had to happen in the south and vice versa—and sometimes something would have to happen on the north-west coast as well. He tackled that nonsense head on and broke it down, basically saying that the state could not afford that nonsense and a two-hour drive from one end of the island to the other was not an incredible effort for most people. This basically led to York Park, in the north, becoming a national standard football venue which now hosts several AFL games a year, while allowing Bellerive to develop as an international cricket centre for the state and into probably one of the best grounds in the world.

Jim always looked calm, even laid back. He and Honey made a great couple, always helping each other in a way that endeared both to the state. I think this is the hardest thing, to leave a great love and know that she will be devastated without him. Yet they must have talked about this and I certainly know Honey’s strength; and I think we have seen that in recent times as well, with her standing by him and showing great strength to him and to their family.

I remember Jim at ALP conferences, kicking a football with his sons years ago. He seemed to carry a football in his car or something because whenever he had an opportunity he certainly used to get it out and have a kick—at lunch or whenever. I know that his family will miss him terribly and I hope they find the strength to continue doing together the things that they did with him. I hope they stay part of the ALP and do things that share their memories of
him with his old friends and his colleagues. We are here and we will never forget what he has done for the state, and together we must continue his vision.

Paul Lennon was his best friend and colleague, and I know Paul will find it much harder than any of us to come to terms with his loss, taking over when he did in his true deed of friendship. I am sure he hoped to have an ear to discuss things with much longer than he has had. But Paul is doing a good job and he will continue to honour his proud friend. I am very sorry that the circumstances had to be that difficult. But something always comes out of adversity, and taking Tasmania to new heights is what we need now.

It is quite interesting that over the last couple of months so many of my constituents asked me how Jim was. Jim grew to be admired by Tasmanians because of the turnaround in the state; people felt that his strong leadership had given Tasmania an opportunity to regain some momentum economically and socially. So I mourn the passing of a very special leader and a close friend, and my family and I offer our sincere condolences to Honey and Jim's family, especially his sisters, and hope that Honey can find some solace in the great affection that Tasmanians have for Jim and also for her.

Mr SIDEBOTTOM (Braddon) (5.30 p.m.)—It is a great honour to follow my colleagues the member for Lyons and the member for Denison in paying tribute to Jim Bacon, who was Premier of Tasmania from 1998 until, tragically, earlier this year, when he handed over the premiership to his good friend Paul Lennon and set about the task of trying to cope with cancer. Jim unfortunately lost that battle on Sunday, and Tasmania is now in the process of grieving and farewelling him.

I would like to share a potpourri of memories of Jim and some assessments of his premiership and of Jim as a man. Unlike my friends who spoke before me I do not have a long history with the Australian Labor Party. I do have a long history as a supporter, but not within that rich fabric of the Australian Labor Party. I lost a state election, which I think was in 1991. I also stood as a federal candidate in 1996, again unsuccessfully. I almost had the ‘political loser’ look about me. But one thing about the north-west coast of Tasmania is that, to test your mettle, they like to knock you down and let you get up—you have got to earn your stripes.

I remember a Labour Day picnic in the mid-1990s—I think it was the day after the 1996 election, which I had lost, and I immediately declared that I was going to stand again. Not knowing the factions in Tasmania, I thought that, if I declared it publicly straightaway, they would not be able to take the candidacy off me later on. Little did I realise that no-one was particularly interested in it. Braddon was a barren wasteland for the ALP for 20-odd years, federally. Even my colleague the very successful member for Denison—who indeed holds the record for Denison—once stood for my salubrious seat of Braddon many moons ago. He quickly decided that Denison would be a better prospect in the future, and then went overseas to get over it.

Anyway, I remember distinctly at this Labour Day picnic that a very dapper and confident looking man came up to me—a face I had seen on television, a leader in the Labor movement in Tasmania. He shook my hand, looked me straight in the eye and said to me, ‘You’ve got what it takes, mate, and we are what it takes.’ I will never forget that. He followed my endeavours from the day on. I would get correspondence from Jim, and every time I saw him he would come over and say: ‘Sid, keep going. You’re doing a great job and you’re going to win this seat.’ One of the great pieces of correspondence that I have received and which I cher-
ish—and I made mention of it previously—is a letter of congratulations from Jim, which I
hold very dear. He followed me through those times in the wilderness. The hardest time to
encourage people is in the years of endeavour, and they were very lean years, but Jim Bacon
was confident then that I would make it—and I was pretty sure that, whatever he did, he
would make it.

So what a great year 1998 was. Jim Bacon became Premier of Tasmania—and what a very
popular Premier he was to become. The member for Denison very correctly mentioned that
this was due to the earlier work of Michael Field and his cabinet in the Labor-Green accord
years. In the transition from Michael Field, Jim was able to take on a movement that had mo-
mentum. Jim was the right person at the right time. He brought to the job the ingredients that
made Jim Bacon, as well as a troika, almost, of David Crean, Paul Lennon and his team. It
was the right time.

Jim Bacon became Premier in 1998, and a couple of months later Sid Sidebottom became
the member for Braddon, after seven long years. I had a very constructive and encouraging
relationship with Jim ever since that time. In 2001, Jim Bacon went on to record a
back-to-back success with the Labor Party in Tasmania as Premier. He was very successful,
and my political fortunes followed that success, as did those of my other colleagues in Tas-
mania. Jim was a man on the move when I first met him, and he moved Tasmania from that
time on, so I was not surprised when Jim became Premier or that he was a very successful one
with his team. People have, of course, mentioned that.

About 18 months ago, or two years ago at most, Jim was here at the National Press Club,
and they were corralling people to go to the Press Club. I noticed a number of journalists sit-
ing amongst the crowd along with some other pollies, and there was Jim extolling the virtues
of Tasmania and, with the most confidence I have ever seen, saying that Tassie was on a big
journey, that it was taking off very quickly and that you want to get on board. It was not long
after that that you saw what appeared to be almost quantum leap decisions by the Tasmanian
government, which had in fact been in train for some time. Jim was there to talk about the
growing economy of Tasmania, a very outward looking Tasmania and a Tasmania that was
very welcoming, not only to tourists but also to people who wanted to reside there, people
who wanted to contribute to our economy—particularly to our society and our culture—and
make Tassie innovative as well. There has been a remarkable turnaround. In fact, I have not
seen anything like it in 30 years, particularly where I come from.

So Jim Bacon was a catalyst as leader, along with his team, in events that were external and
internal to Tasmania. When I think about Jim, I ask myself: what portfolios did Jim Bacon
excel in apart from being Premier and running his cabinet? That indeed took great skill, but
Jim Bacon also took on the portfolio of the arts. To me, that was one of his great contributions
to Tasmania, because Jim Bacon believed that a society is more than just an economy. We are
so used to hearing about the bottom line, particularly up here, and that economics is both the
end and the means. Jim fully appreciated the importance of a growing economy, a sustainable
economy—there is no doubt about that—but he also believed that the arts could do a few
things, both in stimulating and being part of that economy and in opening up the minds of a
community to what it could do. The arts are great generators of the economy. Jim Bacon took
that portfolio on, himself, and created a culture that welcomed artists to Tasmania.
It was not all plain sailing for Jim in the arts community. He introduced the festival of 10 Days on the Island, which I think has an international significance now. He managed to get one of his mates, Robyn Archer, down, and they and the organising committee—and we must never forget the people who assisted Jim—made it the vibrant society it now is. The 10 Days on the Island festival has grown and become very popular. Jim Bacon had a great fixation with islands, and I would like to refer to that a little later if I can—but it is very important, because I think it greatly explains Jim’s passion for Tasmania and things Tasmanian.

With 10 Days on the Island, Jim also introduced a number of prestigious arts awards. These involved literature, poetry and even local history. Controversy surrounded some of these, particularly in relation to sponsorship of 10 Days on the Island, but Jim, with his passion, perhaps could not see some of the roots of this controversy. But let it be said that his passion for culture in Tasmania and all things cultural in Tasmania was very important. We talk about Tasmania’s economy on the move, but I think it is very important that we recognise Jim Bacon’s very important role in stimulating the culture of Tasmania. I think that is very important.

Jim also introduced and continued something that I do not think gets enough recognition, and that is the whole concept of partnership agreements. What they are really about is communication. Jim was a great communicator and Jim did not have any trouble with going to talk to people, to listen to people, to communicate with them, to have community forums and to welcome them in and hear what they had to say. And he did hear what they had to say in many instances, and in time that affected policy. I think that is a very important ingredient.

There is another person on the political stage that believes in that and does not mind communicating—and the strange thing is that it has almost thrown political commentary into a tizz—and that is Mark Latham. I think Mark got a great kick out of meeting Jim Bacon, because he saw a lot of himself in him.

Mr Kerr—Was Mark a Maoist?

Mr Sidebottom—I do not know whether Mark was a Maoist, but I know Mark would appreciate any good strategy if it helped one to communicate better! And politics should be about that. I know Jim Bacon had a great regard for some of the great communicators in Tasmania. In my own seat it involved a guy by the name of Ron Davies, and I know Jim greatly respected Eric Reece. Jim never got into the league of Eric Reece in terms of memory for names, but he was not bad. I think it is a fitting tribute that Jim in his state funeral will be carried in a casket similar to that used by Eric Reece. Eric Reece was a great hero to Jim Bacon and, let it be said—I believe—a hero to Robin Gray. But Jim Bacon learned a lot about communicating and he set about doing just that.

Jim was determined to not just be part and parcel of what it meant to be Tasmanian; I think Jim honestly believed that Tasmanians needed a little prod at times to start to believe in themselves and to start moving on issues where you go forward, where you cannot stand still forever. Jim genuinely believed in reconciliation and also took the rather controversial stand of looking at the transfer of land to the Aboriginal communities—and I particularly remember the issue of Wybalena on Flinders Island. These are very important markers of premiership, because they are about leadership.

My electorate of Braddon has greatly benefited from the economic decisions of the Bacon government—I speak of the three Spirit of Tasmania ferries. There is nothing better than to be
walking down the main street of Devonport and literally see these boats pass you and they are no more than 20 metres away. It is a fantastic sight and it reflects Tassie literally on the move—and they are not all going out; they are actually coming in. Our freight is going out, our products are going out and people are coming in.

That is a tribute to Jim and his team. That is what he talked about when he came to the National Press Club here. So I think about that and I think about wind energy and renewables. Jim was part and parcel of kicking these along. I think about Basslink, I think about the introduction of gas and I think of the more efficient and effective use of hydro in Tasmania. They are all great legacies of Jim Bacon.

The member for Denison spoke about the fact that we not only saw economic reconstruction in Tassie, but Bacon, Crean, Lennon and others gave it credibility. It is a great testimony to Jim’s leadership. I know that he did not like it but they used to call him ‘Good News Jim’. Jim Bacon personified optimism wherever he went. Tragically, I believe Jim thought that he could beat his illness. I remember reading that Michael Aird and Michael Polley, great friends of Jim’s, went to see him towards the last days and said that he was fighting as hard as he could. Their words were: he fought and he fought because he was a great fighter. Jim believed he could do that, and he had the optimism to do that; with the support of his wife, Honey, and the family—but particularly Honey—you could see why. One of the great things about Jim as a person was that he was part of a partnership. When you saw Jim you saw Honey. He was a self-professed workaholic. Honey knew that, and she was there with him all the way. I know he loved her very much, and I know that she is feeling his passing very much.

Jim had great friends. I remember that Jim used to come to Boat Harbour in my electorate—a truly beautiful place—and I can understand why Jim would find some relief and rest there. At Easter, he took some time off from the chemotherapy and radiology that were battering his body to try to help him, and he went to stay at Boat Harbour with his good friends John and Catherine.

I remember the type of character he was. I had an appointment with Jim a few years ago, because I felt I had to tell him what I was hearing on the ground about some potential decisions. I went to visit him and I did not want to take too much of his time. I got out no more than about four sentences and Jim wanted to argue with me. I had to stop him in the end and say, ‘Jim, I came to tell you something not to argue with you.’ But he was passionate, believe me, and you had to have good cause for your case.

Jim had a number of flaws—we all do. In fact, when I was born they said, ‘Mr and Mrs Sidebottom, you have had a flaw.’ Jim had some flaws, and his major one was that he barracked for Essendon. He was allowed to have that. I believe that Kevin Sheedy saw Jim not long before he died, and I know that would have meant a lot to Jim. He was passionate about his footy, and of course he made decisions about footy for the whole of Tassie—against terrific odds, let me tell you. Parochialism is fierce in Tasmania, and Jim made those decisions so that all Tasmanians could go to a venue that they could share in terms of distance and time, and of course it is the home of that great football side, Hawthorn. It is called Hawk Park now instead of York Park. Jim was instrumental in that. Being the man he was, he was both a Hawk and a Bomber. But I think that we all know that deep down he was a Bomber first and foremost.
I want to share an email that was sent to me by John and Susan Robertson and family at 7 p.m. on Sunday. It said:

Sid, Please pass on to Honey and members of the Bacon family our deepest sympathy at Jim’s passing.
Our church held special prayers and thoughts for them all this morning. This news was such a shock to us all. We are saddened by his death, but his legacy will live forever in Tasmania’s history. He was truly a ‘people person’ and he has done much in steering this state into a strong national and world position. He is at peace now, but he will not be forgotten.

Sincerest regards

These are Tasmanians who respected and loved Jim Bacon—a Tasmanian family, part of a community, part of a church, who felt enough to email their member and ask to have that message passed on to Honey. I thought it was very moving.

I would like to finish in the best way I can—with the words of Jim Bacon. Jim was a passionate convert to Tasmania. They say there is nothing worse than a convert, but Jim passionately loved our state and not only was a proud Tasmanian—and I know he would say that—but also tried to make us proud of the things we had. Jim always believed Tasmania had so much more to offer—and Tasmanians do. In an article in the *Mercury* Margaretta Pos states: Bacon’s vision of Tasmania, perhaps, is best expressed in his own words. She goes on to say:

Reviewing Wayne Johnston’s *Baltimore’s Mansion*, set in Newfoundland, in *Island* magazine’s autumn 2001 issue, he made no claim to be able to provide a literary review of the book.

“Perhaps more interesting is why the Premier of the state of Tasmania—a group of 334 islands and a vast area of ocean—is so obsessed with discovering and learning more about the unique characteristics of islands and their communities,” he wrote.

… … …

“There is a mystique, particularly among continental dwellers, about islands. There always has been and there always will be. It is ironic that in order to do all the things we want to, to improve in an all-rounded way the life of Tasmanians, we must capitalise on this mystique.”

“With the communications revolution exploding around the world, Tasmania and Newfoundland, and many other islands, are attracting attention like never before. It is because they are different! Protecting and promoting what we have that is unique will provide the only relatively safe haven in an often savage era of economic and cultural globalisation.”

Question agreed to.

**The DEPUTY SPEAKER (Mr Wilkie)**—As a mark of respect to the memory of Mr Bacon, I invite honourable members to rise in their places.

_Honourable members having stood in their places—_

**The DEPUTY SPEAKER**—I thank the committee.

*Main Committee adjourned at 5.53 p.m.*
The following answers to questions were circulated:

**Australian Federal Police: Deployment**

(Question No. 2966)

**Mr McClelland** asked the Minister representing the Minister for Justice and Customs, upon notice, on 10 February 2004:

(1) How many Australian Federal Police officers were deployed outside Australia on 12 December 2003.

(2) In which countries were these officers deployed, and how many were deployed in each country.

(3) For what periods of time were these officers deployed in each country.

**Mr Ruddock**—The Minister for Justice and Customs has provided the following answer to the honourable member’s question:

(1) 245 sworn & unsworn staff.

(2) AFP International Network

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>NUMBER DEPLOYED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>1</td>
</tr>
<tr>
<td>Cambodia</td>
<td>2</td>
</tr>
<tr>
<td>China (includes Hong Kong)</td>
<td>6</td>
</tr>
<tr>
<td>Colombia</td>
<td>3</td>
</tr>
<tr>
<td>East Timor</td>
<td>1</td>
</tr>
<tr>
<td>Fiji</td>
<td>2</td>
</tr>
<tr>
<td>Indonesia</td>
<td>6</td>
</tr>
<tr>
<td>Lebanon</td>
<td>2</td>
</tr>
<tr>
<td>Malaysia</td>
<td>3</td>
</tr>
<tr>
<td>Myanmar</td>
<td>2</td>
</tr>
<tr>
<td>Netherlands</td>
<td>2</td>
</tr>
<tr>
<td>Pakistan</td>
<td>1</td>
</tr>
<tr>
<td>Philippines</td>
<td>1</td>
</tr>
<tr>
<td>Papua New Guinea</td>
<td>2</td>
</tr>
<tr>
<td>Serbia &amp; Montenegro</td>
<td>1</td>
</tr>
<tr>
<td>Singapore</td>
<td>1</td>
</tr>
<tr>
<td>Solomon Islands</td>
<td>2</td>
</tr>
<tr>
<td>South Africa</td>
<td>1</td>
</tr>
<tr>
<td>Thailand</td>
<td>7</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>3</td>
</tr>
<tr>
<td>USA</td>
<td>6</td>
</tr>
<tr>
<td>Vanuatu</td>
<td>2</td>
</tr>
<tr>
<td>Vietnam</td>
<td>3</td>
</tr>
<tr>
<td>Interpol Secondments</td>
<td></td>
</tr>
<tr>
<td>Thailand</td>
<td>1</td>
</tr>
<tr>
<td>France</td>
<td>2</td>
</tr>
<tr>
<td>United Nations Missions</td>
<td>15</td>
</tr>
<tr>
<td>Cyprus</td>
<td></td>
</tr>
<tr>
<td>Timor Leste</td>
<td>13</td>
</tr>
<tr>
<td>Regional Assistance Mission</td>
<td></td>
</tr>
</tbody>
</table>

QUESTIONS ON NOTICE
31174

HOUSE OF REPRESENTATIVES Tuesday, 22 June 2004

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>NUMBER DEPLOYED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solomon Islands</td>
<td>148</td>
</tr>
<tr>
<td>Bali Bombing Investigation</td>
<td></td>
</tr>
<tr>
<td>Jakarta</td>
<td>1</td>
</tr>
<tr>
<td>Bali</td>
<td>5</td>
</tr>
</tbody>
</table>

(3) International Network Members (including Interpol Secondments) are deployed for a two-year term with an option for a management initiated extension of a further year. United Nations Peace Keeping Missions and the RAMSI deployments are for a period of six months. Note that under the terms and conditions applicable to the newly created AFP International Deployment Group, deployment periods will be shortened to four months.

Staff in support of the Indonesian National Police Bali bombing investigation were each deployed for varying short term period.

Environment: Murray-Darling Basin

(Question No. 3345)

Mr Kelvin Thomson asked the Minister for the Environment and Heritage, upon notice, on 22 March 2004:

(1) Is he aware of the report from the workshop of June 2001 titled ‘Thermal Pollution of the Murray-Darling Basin Waterways’ which made a number of recommendations designed to tackle a problem now recognised as having serious impacts on native fish populations and the social and economic values along approximately 4,000 kilometres of the waterways of the Basin.

(2) Is he aware that at this workshop experts provided evidence that unnaturally cold water discharged from the base of the larger dams within the Basin is a significant contributing factor to the decline of native fish populations to around 10% of their pre-European settlement levels and that viable engineering and operational measures are available now to allow these impacts to be mitigated.

(3) What specific actions has he taken to respond to each of the nine priority recommendations formulated by the workshop and presented in the Executive Summary of the report.

(4) In particular, can he advise on (a) progress with the investigation, as approved by the Murray-Darling Ministerial Council in March 2001, of options for mitigating thermal pollution from Hume Dam, and (b) how the Government has sought to include within appropriate regional investment strategies and plans under the Natural Heritage Trust and National Action Plan on Salinity and Water Quality, actions to mitigate thermal pollution from the major dams across the Basin that are the primary cause of the problem.

Dr Kemp—The answer to the honourable member’s question is as follows:

(1) Yes. Issues surrounding thermal pollution, including those in the report, have been raised at Murray-Darling Basin Ministerial Council meetings.

(2) Yes.

(3) Specific actions to respond to each of the nine priority recommendations formulated by the workshop are as follows:

(i) We should not repeat the errors of the past, and act immediately to avoid the introduction of thermal pollution to those rivers that are unaffected by the problem today.

(ii) That the extent of the problem is still not sufficiently well documented – both within the Murray-Darling and in other parts of the country – and that this should be a priority in order to guide future actions.
(iii) There is an urgent need to undertake scientifically based test/pilot case(s) to demonstrate the benefits of mitigating thermal pollution, and to monitor the recovery of biota and ecological processes.

River Murray Water (the operational arm of the Murray-Darling Basin Commission) is currently undertaking two research projects related to thermal pollution:

(a) Development of an Adaptive Environmental Assessment Method (AEAM) model of the River Murray between Hume Dam and Yarrawonga Weir; and
(b) Development of an Adaptive Environmental Assessment Method (AEAM) model of the Mitta Mitta River downstream from Dartmouth Dam.

These projects will assess the relative magnitude of the effects of thermal pollution compared to seasonality impacts and riparian vegetation loss and aim to provide solutions to mitigate these impacts. Results from these projects are expected in early June and October respectively.

The results from these projects will help us to understand the ecological benefits that might be expected through implementing physical options to mitigate thermal pollution.

(iv) We should be pursuing as a priority, modification to the operating protocols of large dams that can allow some gains to be achieved without compromising other factors such as irrigation supplies, flood control, water quality standards.

I am informed that the office of the Murray-Darling Basin Commission is not aware of specific actions responding to this recommendation.

(v) That within the Murray-Darling Basin stronger commitment and urgency is needed in addressing thermal pollution and that vehicles such as the Natural Heritage Trust, the National Action Plan for Salinity and Water Quality, and relevant State/Territory programs need to include target setting with respect to mitigating thermal pollution

The Natural Heritage Trust contributes to the activities of the Murray-Darling Basin Commission through the Australian Government’s contribution to the Commission budget. The Commission is undertaking work to address thermal pollution as outlined.

(vi) All jurisdictions should as a priority review their legislation and policies relating to thermal pollution and use this to identify areas where these could be made more effective through improved institutional and licensing arrangements, greater resourcing or similar actions.

The Murray-Darling Basin Commission will amend and where necessary develop policies in response to recommendations following thermal pollution research outcomes.

(vii) Where it is not already the case, jurisdictions were called upon to list ‘thermal pollution’ (in conjunction with blockage from fish passage and alteration of natural flow regimes) as a ‘threatening process’ under current legislation, in order to focus the attention on the problem and pursue a coordinate national approach.

A nomination to list the ‘alteration to the natural temperature regime of rivers and streams’ as a key threatening process under the Environment Protection and Biodiversity Conservation Act 1999 has been submitted and was assessed by the Threatened Species Scientific Committee. The Committee concluded that the nomination did not meet the requirements for listing. A summary of their reasons can be found at http://www.deh.gov.au/biodiversity/threatened/ktp/unsuccessful/strems.html

(viii) Actions taken to see thermal pollution impacts mitigated should be preceded by analysis of the social, economic and environmental costs and benefits, and this should be through a risk management approach that meets the principles of ecologically sustainable development.

This process is already guiding actions being undertaken by the Commission and will precede any future proposed actions to address thermal pollution.
In order to gain support and improved understanding of the thermal pollution problem there is a need to prepare and disseminate a range of communication materials targeted at the general community, dam managers and lock masters, high level decision makers etc.

Specific information relating to thermal pollution will be placed on the Murray Darling Basin Commission website at http://www.mdbc.gov.au/ as information becomes available. The Commission will also have the opportunity to discuss thermal pollution and options to mitigate thermal pollution at future Living Murray community consultation meetings.

(4) (a) See response to question 3 parts i, ii and iii.
(b) The Government has not sought to include in regional investment strategies and plans under the Natural Heritage Trust and the National Action Plan for Salinity and Water Quality action to mitigate thermal pollution from the major dams across the Basin.

Immigration: Illegal Entry Vessels

(4) (a) See response to question 3 parts i, ii and iii.
(b) The Government has not sought to include in regional investment strategies and plans under the Natural Heritage Trust and the National Action Plan for Salinity and Water Quality action to mitigate thermal pollution from the major dams across the Basin.

Coastwatch

(1) Not publicly available.
(2) No cost benefit analysis has been conducted.

Coastwatch

(1) Not publicly available.
(2) No cost benefit analysis has been conducted.
Tuesday, 22 June 2004

(1) Has Coastwatch entered into a memorandum of understanding with the Department of Immigration and Multicultural and Indigenous Affairs about surveillance services provided by Coastwatch to the Department of Immigration and Multicultural and Indigenous Affairs; if so, (a) when, (b) what are its terms, and (c) does the memorandum include a performance agreement.

(2) Has an analysis been undertaken of Coastwatch operational data to determine the probability that suspect illegal entry vessels have arrived undetected carrying (a) illegal immigrants, (b) narcotics, (c) guns, and (d) other contraband; if so, (i) when, (ii) over what period was data provided, and (iii) what were the conclusions of any such analysis.

Mr Hardgrave—The Minister for Immigration and Multicultural and Indigenous Affairs has provided the following answer to the honourable member’s question:

(1) See response to Question No. 3120.
   (a) November 2000;
   (b) Not publicly available; and
   (c) See response to Question No. 3383.

(2) No.

Ms Burke asked the Minister for Health and Ageing, upon notice, on 31 March 2004:

(1) What is the breakdown of the proportion of total unreferred GP attendances bulk-billed for the electoral divisions of (a) Chisholm and (b) Deakin for the quarter ending 31 December 2003.

(2) What is the breakdown of the number of total unreferred GP attendances bulk-billed for the electoral divisions of (a) Chisholm and (b) Deakin for the quarter ending 31 December 2003.

(3) What is the breakdown for the average patient contribution per service (patient billed services only) for total unreferred GP attendances for the electoral divisions of (a) Chisholm and (b) Deakin for the quarter ending 31 December 2003.

(4) What is the breakdown for the number of services for total unreferred GP attendances for the electoral divisions of (a) Chisholm and (b) Deakin for the quarter ending 31 December 2003.

Mr Abbott—The answer to the honourable member’s question is as follows:

Medicare statistics by electorate are no longer produced on a quarterly basis. Statistics by electorate are available on a calendar year basis.

(1) The proportion of total unreferred GP attendances bulk billed for the electoral divisions of (a) Chisholm in 2003 was 72.7% and (b) Deakin in 2003 was 64.6%.

(2) The number of total unreferred GP attendances bulk billed for the electoral divisions of (a) Chisholm in 2003 was 461,156 and (b) Deakin in 2003 was 395,655.

(3) The average patient contribution per patient billed service for unreferred GP attendances in the electoral divisions of (a) Chisholm in 2003 was $15.65 and (b) Deakin in 2003 was $14.57.

(4) The number of unreferred GP attendances for the electoral divisions of (a) Chisholm in 2003 was 634,382 and (b) Deakin in 2003 was 612,311.

Notes to the Statistics

These statistics relate to non-referred (general practitioner) attendances that were rendered on a ‘fee-for-service’ basis and for which benefits were processed by the Health Insurance Commission in 12 months.
to December 2003 (year of processing). Excluded are details of non-referred attendances to public patients in hospital, to Department of Veterans’ Affairs patients and some compensation cases.

Average out of pocket costs relate to non-hospital patient billed services, and are the difference between aggregate fees charged and aggregate benefits paid, divided by the number of services. It is not possible to compute accurate statistics on the average patient contribution per service for patient billed services in hospital, since the Medicare system does not record gap payments under private health insurance arrangements.

The statistics were compiled from Medicare data by patient enrolment (mailing address) postcode. Where a postcode overlapped electoral boundaries, the statistics were allocated to electorate using a concordance file derived from Population Census data, showing the proportion of the population of each postal area, in each electorate.

Attorney-General’s: E-Security National Agenda
(Question No. 3496)

Mr McClelland asked the Attorney-General, upon notice, on 11 May 2004:
(1) In respect of the 2002-2003 Budget measure “E-Security National Agenda”, what sum has been spent by his department during (a) 2002-2003, and (b) 2003-2004 on improving e-security.

(2) On what e-security initiatives has funding been spent by his department.

Mr Ruddock—The answer to the honourable member’s question is as follows:

(1) In respect of the 2002-2003 Budget measure “E-Security National Agenda”, the following sums have been spent by my department:
(a) The total cost for the National Information Infrastructure (NII) - E-Security National Agenda for 2002-03 was $908,841 (including direct and indirect costs).
(b) With respect to 2003-2004, a total of $1,160,686 has been spent to 31 May 2004 (including direct and indirect costs). However, in May 2003, responding to increased external and internal pressure, my department set up a Critical Infrastructure Protection (CIP) Branch to take an ‘all hazards’ approach to the protection of information and physical infrastructure. Therefore, the above amount relates to total spending across the branch, encompassing both work in the protection of physical infrastructure and information infrastructure (e-security).

(2) The E-Security National Agenda initiative funded a National Information Infrastructure (NII) Section within my department. As mentioned previously, in May 2003 the Critical Infrastructure Protection (CIP) Branch was established to consider all aspects related to the protection of information and physical infrastructure.

The CIP Branch currently consists of an NII section and a Critical Infrastructure Policy Section. My department coordinates the development of NII policy within the Attorney-General’s portfolio as required, in particular as it interfaces with criminal and information law reform and law enforcement. Examples include the work on the Cybercrime Act 2001, the ‘cyberterrorism’ aspects of the Security Legislation Amendment (Terrorism) Act 2002, ongoing discussions in relation to amendments to the Telecommunications (Interception) Act 1979 and input into the SPAM Act 2003.


My department also has an active role on the Communications, IT and E-Commerce Board and the National Centre for National Security Standards of Standards Australia.
My department is coordinating international efforts in NII protection at a strategic level, both in bilateral and multilateral arrangements. My department has held bilateral and multilateral talks with the United States, UK, New Zealand, Canada, Japan, the Netherlands, South Korea, Malaysia, China, Taiwan and Brazil on national information infrastructure protection. My department has also engaged with the OECD and APEC in the protection of E-Security. Within the OECD, it chaired the working group which drafted the Guidelines for the Security of Information Systems and Networks: Towards a Culture of Security (August, 2002)

My department is sponsoring a project, aimed at increasing the number of Computer Emergency Response Teams (CERTs) in the region, and promoting cooperation between them.

My department ran CERT awareness raising workshops in conjunction with the APEC Telecommunications and Information Working Group (APEC-TEL) meetings in March 2003 and October 2003.

My department has contracted AusCERT, the Australian Computer Emergency Response Team based in the University of Queensland to provide in-country CERT capability raising training to Vietnam, Indonesia, the Philippines, Papua New Guinea and Thailand.

As a result of its expertise in this area, an officer from my department is overseeing an APEC funded project working to provide similar in-country training to other APEC economies in the region including Russia, Mexico, Peru and Chile.

The NII section provides the Secretariat for the Information Infrastructure Protection Group (formerly the CIPG). The IIPG meets monthly to discuss protection of the NII. The First Assistant Secretary of my Department’s Information and Security Law Division chairs the meetings. The IIPG has developed an arrangement to govern when an extraordinary IIPG should be called and who should be briefed on the outcomes. Extraordinary IIPG meetings were held on several occasions during 2002, 2003 and 2004 to respond to issues that could pose a threat to the NII.

Crisis Management Arrangements for NII incidents have been implemented. Known as the Joint Operational Arrangements (JOAs) these arrangements allow information to come into the NII operational agencies (ASIO, DSD, Australian Hi Tech Crime Centre) and be worked on collaboratively. The JOAs have set up a single 24hr contact number which is hosted by DSD.

My department has been responsible for implementation of the recommendations of the Business-Government Task Force on Critical Infrastructure and in particular the setting up of the Trusted Information Sharing Network for Critical Infrastructure Protection (TISN). This included the establishment of the Critical Infrastructure Advisory Council (CIAC) and key sector Information Assurance Advisory Groups (IAAGs).

The TISN was launched at a summit in April 2003

The first meeting of the CIAC was held in August 2003 with subsequent meetings held in December 2003 and March 2004.

In addition to its support for CIAC meetings, my department is supporting meetings of an Australian Government Senior Officers IDC on CIP and a National Committee for CIP comprising Australian Government, state and state and territory, and local government representatives.

My department has launched a CIP Newsletter which is being distributed to TISN members and will be published on the TISN website.

A free incident alerts scheme for the public was established through a contract with AusCERT in May 2003, and a reporting scheme was launched in June 2003. Subscription to the alerts scheme is via the website at http://national.auscert.org.au.
My department has been able to coordinate Australian Government efforts to identify and protect those aspects of the NII critical to the national interest. It has also facilitated consideration of NII within broader CIP developments to date.

**National Security: Guarding Services**
*(Question No. 3497)*

**Mr McClelland** asked the Attorney-General, upon notice, on 10 May 2004:

1. In respect of the 2003-2004 Budget measure “A Safer Australia—enhanced Diplomatic and Australian Office Holder guarding services”, what sum has been spent on increased Diplomatic and Australian Office Holder guarding services during 2003-04.
2. How many additional hours of guarding services have been provided in 2003-04.

**Mr Ruddock**—The answer to the honourable member’s question is as follows:

1. It is estimated that $25.1m will be spent on guarding services on diplomatic and Australian office holders guarding services for the 2003-04 financial year.
2. The amount expended and the hours of guarding provided for the 2003-04 financial year is similar to that provided in the previous financial year. Expenditure on guarding services in 2002-03 was $25.4m.

**National Security: Infrastructure Protection**
*(Question No. 3500)*

**Mr McClelland** asked the Attorney-General, upon notice, on 11 May 2004:

1. Since his answer to question No. 2276 (*Hansard*, 9 October 2003, page 2133), (a) which additional groups have been constituted in the Trusted Information Sharing Network (TISN), (b) when was each of these groups constituted, and (c) which Commonwealth agencies were responsible for coordinating the creation of these groups.
2. In respect of the groups still being constituted, (a) which groups are they, (b) when does the Government aim to have them constituted, and (c) which Commonwealth agencies are responsible for coordinating their creation.
3. On what dates has each group in the TISN met.

**Mr Ruddock**—The answer to the honourable member’s question is as follows:

1. (a) The following additional groups have been constituted in the Trusted Information Sharing Network (TISN):
   - Emergency Services Infrastructure Assurance Advisory Group (IAAG);
   - IT Security Expert Advisory Group (EAG); and
   - Built Environment EAG.

   (b) Each of these groups were constituted at their inaugural meetings:
   - IT Security Expert Advisory Group (EAG) held its inaugural meeting on 17 February 2004;
   - Emergency Services Infrastructure Assurance Advisory Group (IAAG) held its inaugural meeting on 10 March; and
   - Built Environment EAG held its inaugural meeting on 31 May 2004.

   (c) The following Commonwealth agencies were responsible for coordinating creation of these groups:
   - IT Security Expert Advisory Group (EAG) is the responsibility of the Department of Communications, Information Technology and the Arts;
Emergency Services Infrastructure Assurance Advisory Group (IAAG) is the responsibility of Emergency Management Australia in the Attorney-General’s Department; and

Built Environment EAG is the responsibility of Attorney-General’s Department.

(2) (a) The following groups in the TISN are still being constituted:

- Iconic and Public Buildings Infrastructure Assurance Advisory Group (IAAG);
- Transport IAAG; and
- CIP Futures Expert Advisory Group (EAG).

(b) The Government aims to have these groups constituted shortly.

- Iconic and Public Buildings Infrastructure Assurance Advisory Group (IAAG) is in the process of being constituted. The Australian Government aims to constitute this group by the end of June 2004;
- Transport IAAG is in the process of being constituted. The Australian Government aims to constitute this group early in the second half of 2004; and
- CIP Futures Expert Advisory group (EAG) is in the process of being constituted. The Australian Government aims to constitute this group by July 2004.

(c) The following Commonwealth Agencies are responsible for coordinating the creation of these groups:

- The coordination of the Iconic and Public Buildings Infrastructure Assurance Advisory Group (IAAG) is the responsibility of the Attorney-General’s Department;
- The coordination of the Transport IAAG is the responsibility of the Department of Transport and Regional Services; and
- The coordination of the CIP Futures Expert Advisory group (EAG) is the responsibility of the Attorney-General’s Department.

(3) Each of the groups in the TISN held their meetings on the following dates:

- Banking and Finance Infrastructure Assurance Advisory Group (IAAG) met in early March 2004 and on 10 June 2004;
- Communications IAAG met on 4 March 2004 and will be meeting again on 15 June 2004;
- Emergency Services IAAG met on 31 May;
- Energy IAAG met on 21 November 2003 and will be meeting again on 16 June 2004;
- Food Chain IAAG met on 5 May 2004 and will be meeting again on 1 July 2004;
- Health Sector IAAG met on 1 April 2004 and on 8 June 2004;
- Water Services IAAG met on 4-5 May 2004;
- IT Security EAG held first meeting on 17 February 2004, met again on 29 April and will meet again on 30 June 2004; and
- Built Environment EAG met on 31 May 2004.

Critical Infrastructure Advisory Council
(Question No. 3501)

Mr McClelland asked the Attorney-General, upon notice, on 11 May 2003:
Will he update the answer to question No. 2508 (Hansard, 22 March 2004).

(1) Who is on the Critical Infrastructure Advisory Council and which industry sectors do they represent.
(2) In respect of each meeting of the council, (a) when did it meet, (b) what matters did it consider, and (c) what were the outcomes.

Mr Ruddock—The answer to the honourable member’s question is as follows:

(1) A list of current members of the Critical Infrastructure Advisory Council (CIAC) is at Attachment A. Industry sectors currently represented on the CIAC are the water services, financial services, energy, health, communications, food chain and emergency services.

(2) (a) The CIAC held its third meeting on 12 March 2004.
   (b) The matters considered are listed in the agenda, a copy of which is at Attachment B.
   (c) The outcomes are listed in the summary of action items at Attachment C.

Attachment A

CRITICAL INFRASTRUCTURE ADVISORY COUNCIL (CIAC) MEMBER DETAILS

<table>
<thead>
<tr>
<th>Industry Sector</th>
<th>Company</th>
<th>Member</th>
<th>Phone</th>
<th>E-mail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attorney-General’s Department</td>
<td>Mr Peter Ford</td>
<td>(02) 6250 6654</td>
<td><a href="mailto:peter.ford@ag.gov.au">peter.ford@ag.gov.au</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ag Deputy Secretary Criminal Justice and Security Group</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Industry Sector</th>
<th>Company</th>
<th>Member</th>
<th>Phone</th>
<th>E-mail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banking and Finance</td>
<td>Mr Tony Burke</td>
<td>(02) 8298-0409</td>
<td><a href="mailto:tburke@bankers.asn.au">tburke@bankers.asn.au</a></td>
<td></td>
</tr>
<tr>
<td>Communications</td>
<td>Mr Mark Loves</td>
<td>(02) 9342 7225</td>
<td><a href="mailto:mark.loves@optus.com.au">mark.loves@optus.com.au</a></td>
<td></td>
</tr>
<tr>
<td>Energy</td>
<td>Mr Keith Orchison</td>
<td>(02) 9634 5291</td>
<td><a href="mailto:orchiso@attglobal.net">orchiso@attglobal.net</a></td>
<td></td>
</tr>
<tr>
<td>Emergency Services</td>
<td>Mr David Templeman</td>
<td>(02) 6266-5183</td>
<td><a href="mailto:david.templeman@ema.gov.au">david.templeman@ema.gov.au</a></td>
<td></td>
</tr>
<tr>
<td>Food Chain</td>
<td>Mr Dick Wells</td>
<td>(02) 6273-1466</td>
<td><a href="mailto:dick.wells@afgc.org.au">dick.wells@afgc.org.au</a></td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td>Mr David Kindon</td>
<td>(02) 6282-9883</td>
<td><a href="mailto:dkindon@client-solutions.com.au">dkindon@client-solutions.com.au</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chief Executive Officer Australian Food and Grocery Council</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Australian Diagnostic Imaging Association (also representing Australian Association of Pathology Practices and Royal College of Pathologists of Australasia)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industry Sector</td>
<td>Member</td>
<td>Phone</td>
<td>E-mail</td>
<td></td>
</tr>
<tr>
<td>----------------------------------</td>
<td>---------------------------------------------</td>
<td>------------------</td>
<td>---------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Water Services</td>
<td>Mr Gavin Love</td>
<td>(03) 9235-7126</td>
<td><a href="mailto:gavin.love@melbournewater.com.au">gavin.love@melbournewater.com.au</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Water Services Association</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(also representing Australian Water Associ-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ation)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Australian Government**

<table>
<thead>
<tr>
<th>Agency</th>
<th>Member</th>
<th>Phone</th>
<th>E-mail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attorney-General’s Department</td>
<td>Mr Trevor Clement</td>
<td>(02) 6250 5490</td>
<td><a href="mailto:trevor.clement@ag.gov.au">trevor.clement@ag.gov.au</a></td>
</tr>
<tr>
<td>Australian Prudential Regulation Authority</td>
<td>Mr Graham Johnson</td>
<td>(02) 9210-3162</td>
<td><a href="mailto:graham.johnson@apra.gov.au">graham.johnson@apra.gov.au</a></td>
</tr>
<tr>
<td>Department of Agriculture, Fisheries and Forestry</td>
<td>Mr Tim Roseby</td>
<td>(02) 6272-5414</td>
<td><a href="mailto:tim.roseby@affa.gov.au">tim.roseby@affa.gov.au</a></td>
</tr>
<tr>
<td>Department of Communications, Information Technology and the Arts</td>
<td>Mr Brenton Thomas</td>
<td>(02) 6271-1044</td>
<td><a href="mailto:brenton.thomas@dcita.gov.au">brenton.thomas@dcita.gov.au</a></td>
</tr>
<tr>
<td>Department of Education, Science and Training</td>
<td>Mr Colin Walters</td>
<td>(02) 6240-8991</td>
<td><a href="mailto:colin.walters@dest.gov.au">colin.walters@dest.gov.au</a></td>
</tr>
<tr>
<td>Department of Health and Ageing</td>
<td>Mr Andrew Stuart</td>
<td>(02) 6289-4522</td>
<td><a href="mailto:andrew.stuart@health.gov.au">andrew.stuart@health.gov.au</a></td>
</tr>
<tr>
<td>Department of Industry, Tourism and Resources</td>
<td>Ms Vicki Brown</td>
<td>(02) 6213-7830</td>
<td><a href="mailto:vicki.brown@industry.gov.au">vicki.brown@industry.gov.au</a></td>
</tr>
<tr>
<td>Department of Prime Minister and Cabinet</td>
<td>Mr Miles Jordana</td>
<td>(02) 6271-5973</td>
<td><a href="mailto:miles.jordana@pmc.gov.au">miles.jordana@pmc.gov.au</a></td>
</tr>
<tr>
<td>Department of Transport and Regional Services</td>
<td>Mr Andrew Tongue</td>
<td>(02) 6274-6520</td>
<td><a href="mailto:andrew.tongue@dotars.gov.au">andrew.tongue@dotars.gov.au</a></td>
</tr>
<tr>
<td>Emergency Management Australia</td>
<td>Mr David Templeman</td>
<td>(02) 6266-5183</td>
<td><a href="mailto:david.templeman@ema.gov.au">david.templeman@ema.gov.au</a></td>
</tr>
<tr>
<td>Department of Communications, Information Technology and the Arts - Information Economy Division</td>
<td>Mr Keith Besgrove</td>
<td>(02) 6271-1818</td>
<td><a href="mailto:keith.besgrove@dcita.gov.au">keith.besgrove@dcita.gov.au</a></td>
</tr>
</tbody>
</table>

1 Representing the treasury portfolio
2 Special Adviser on national research priorities
3 Special Adviser on government relations
4 Special Adviser on eSecurity

QUESTIONS ON NOTICE
## State/Territory Government

<table>
<thead>
<tr>
<th>State/Territory</th>
<th>Member</th>
<th>Phone</th>
<th>E-mail</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACT</td>
<td>Ms Elizabeth Kelly</td>
<td>(02) 6207-0520</td>
<td><a href="mailto:elizabeth.kelly@act.gov.au">elizabeth.kelly@act.gov.au</a></td>
</tr>
<tr>
<td></td>
<td>Executive Director Policy and Regulatory Division Department of Justice and Community Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NSW</td>
<td>MAJGEN Brian Howard AO MC ESM Chairman State Emergency Management Committee</td>
<td>(02) 9264-7277</td>
<td><a href="mailto:semc@oes.nsw.gov.au">semc@oes.nsw.gov.au</a></td>
</tr>
<tr>
<td>NT</td>
<td>Mr Stephen Yates Director Services Department of the Chief Minister</td>
<td>(08) 8999-8971</td>
<td><a href="mailto:stephen.yates@nt.gov.au">stephen.yates@nt.gov.au</a></td>
</tr>
<tr>
<td>QLD</td>
<td>Mr Fiona McKersie Deputy Director-General Governance Department of the Premier and Cabinet</td>
<td>(07) 3224-6061</td>
<td><a href="mailto:fiona.mckersie@premiers.qld.gov.au">fiona.mckersie@premiers.qld.gov.au</a></td>
</tr>
<tr>
<td>SA</td>
<td>Ms Suzanne Carman Director Security and Emergency Management Department of the Premier and Cabinet</td>
<td>(08) 8303-2292</td>
<td><a href="mailto:carman.suzanne@saugov.sa.gov.au">carman.suzanne@saugov.sa.gov.au</a></td>
</tr>
<tr>
<td>TAS</td>
<td>Mr Tony Mulder Director State Security (Tasmania)</td>
<td>(03) 6230-2240</td>
<td><a href="mailto:tony.mulder@police.tas.gov.au">tony.mulder@police.tas.gov.au</a></td>
</tr>
<tr>
<td>VIC</td>
<td>Mr Leo van der Tooren Assistant Director Security and Emergencies Unit Department of Premier and Cabinet</td>
<td>(03) 9651-1430</td>
<td><a href="mailto:leo.vandertooren@dpc.vic.gov.au">leo.vandertooren@dpc.vic.gov.au</a></td>
</tr>
<tr>
<td>WA</td>
<td>Mr Geoff Hay Assistant Director-General Public Sector Management and State Administration Department of Premier and Cabinet</td>
<td>(08) 9222-9742</td>
<td><a href="mailto:ghay@dpc.wa.gov.au">ghay@dpc.wa.gov.au</a></td>
</tr>
</tbody>
</table>

## Other

<table>
<thead>
<tr>
<th>Committee</th>
<th>Member</th>
<th>Phone</th>
<th>E-mail</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Counter-Terrorism Committee</td>
<td>Mr Ed Tyrie Executive Director Protective Security Coordination Centre</td>
<td>(02) 6250-5552</td>
<td><a href="mailto:ed.tyrie@ag.gov.au">ed.tyrie@ag.gov.au</a></td>
</tr>
</tbody>
</table>

## QUESTIONS ON NOTICE
CRITICAL INFRASTRUCTURE ADVISORY COUNCIL
Friday, 12 March 2004
8:30am – 12:30pm
Senate Alcove
Parliament House
Canberra
AGENDA
Meeting opens at 8:30am (tea and coffee served)

<table>
<thead>
<tr>
<th>Time</th>
<th>Agenda Item</th>
<th>Speaker</th>
</tr>
</thead>
<tbody>
<tr>
<td>8:30 – 8:35am</td>
<td>AGENDA ITEM 1: Welcome and introduction</td>
<td>Ian Carnell</td>
</tr>
<tr>
<td>8:35 – 8:45am</td>
<td>AGENDA ITEM 2: Ratification of Record of Meeting held 4 December 2003</td>
<td>Ian Carnell</td>
</tr>
<tr>
<td>8:45 – 9:00am</td>
<td>AGENDA ITEM 3: CIP National Strategy</td>
<td>Ian Carnell</td>
</tr>
<tr>
<td>9:00 – 10:00am</td>
<td>AGENDA ITEM 4: Sector reports (6 minutes)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4a: Banking and Finance</td>
<td>Tony Burke</td>
</tr>
<tr>
<td></td>
<td>4b: Communications</td>
<td>Mark Loves</td>
</tr>
<tr>
<td></td>
<td>4c: Community Assets</td>
<td>Mike Rothery</td>
</tr>
<tr>
<td></td>
<td>4d: Emergency Services</td>
<td>David Templeman</td>
</tr>
<tr>
<td></td>
<td>4e: Energy</td>
<td>Keith Orchison</td>
</tr>
<tr>
<td></td>
<td>4f: Food Chain</td>
<td>Dick Wells</td>
</tr>
<tr>
<td></td>
<td>4g: Health</td>
<td>David Kindon</td>
</tr>
<tr>
<td></td>
<td>4h: Transport</td>
<td>Andrew Tongue</td>
</tr>
<tr>
<td></td>
<td>4i: Water Services</td>
<td>Gavin Love</td>
</tr>
<tr>
<td>10:00 – 10:15am</td>
<td>AGENDA ITEM 5: Interdependencies</td>
<td>Ian Carnell</td>
</tr>
<tr>
<td>10:15 – 11:00am</td>
<td>AGENDA ITEM 6: State/Territory reports (5 minutes)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6a: ACT</td>
<td>Elizabeth Kelly</td>
</tr>
<tr>
<td></td>
<td>6b: NSW</td>
<td>Brian Howard</td>
</tr>
<tr>
<td></td>
<td>6c: NT</td>
<td>Chris Wrangle</td>
</tr>
<tr>
<td></td>
<td>6d: QLD</td>
<td>Peter Bridgman</td>
</tr>
<tr>
<td></td>
<td>6e: SA</td>
<td>Suzanne Carman</td>
</tr>
<tr>
<td></td>
<td>6f: TAS</td>
<td>Tony Mulder</td>
</tr>
<tr>
<td></td>
<td>6g: VIC</td>
<td>Leo van der Toorren</td>
</tr>
<tr>
<td></td>
<td>6h: WA</td>
<td>Geoff Hay</td>
</tr>
<tr>
<td>11:00 – 11:15am</td>
<td>AGENDA ITEM 7: Morning Tea</td>
<td></td>
</tr>
<tr>
<td>11:15 – 11:25am</td>
<td>AGENDA ITEM 8: NCTC report</td>
<td>Ed Tyrie</td>
</tr>
<tr>
<td>11:25 – 11:45am</td>
<td>AGENDA ITEM 9: Expert Advisory Groups</td>
<td></td>
</tr>
<tr>
<td></td>
<td>8a: Built Environment</td>
<td>Ian Carnell</td>
</tr>
<tr>
<td></td>
<td>8b: IT Security</td>
<td>Mike Rothery</td>
</tr>
<tr>
<td></td>
<td>8c: CIP Futures</td>
<td>John Grant</td>
</tr>
<tr>
<td>11:45 – 12:00pm</td>
<td>AGENDA ITEM 10: International Linkages</td>
<td></td>
</tr>
<tr>
<td>12:00 – 12:10pm</td>
<td>AGENDA ITEM 11: Research and Development</td>
<td></td>
</tr>
<tr>
<td></td>
<td>10a: SET, PM&amp;C</td>
<td>Lynn Booth</td>
</tr>
<tr>
<td></td>
<td>11: NCTC Database</td>
<td>Senior ASIO Officer</td>
</tr>
</tbody>
</table>

QUESTIONS ON NOTICE
### QUESTIONS ON NOTICE

**Tuesday, 22 June 2004**

<table>
<thead>
<tr>
<th>Time</th>
<th>Agenda Item</th>
<th>Speaker</th>
</tr>
</thead>
<tbody>
<tr>
<td>12:20 – 12:30pm</td>
<td>AGENDA ITEM</td>
<td>Ian Carnell</td>
</tr>
<tr>
<td>12:30pm</td>
<td>Other Business</td>
<td>Ian Carnell</td>
</tr>
<tr>
<td></td>
<td>12a: Next meeting</td>
<td>Ian Carnell</td>
</tr>
<tr>
<td></td>
<td>Lunch</td>
<td></td>
</tr>
</tbody>
</table>

Meeting closes at 12:30pm

Attachment C

**CRITICAL INFRASTRUCTURE ADVISORY COUNCIL**

Third Meeting

12 March 2004

8:30am – 12:30pm

Senate Alcove

Parliament House

Canberra

**Summary of Action Items:**

<table>
<thead>
<tr>
<th>Action Item 1:</th>
<th>AGD to bring CIP National Strategy to CIAC for review after 12 months.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Action Item 2:</td>
<td>EMA to contact peak bodies for Emergency Services IAAG</td>
</tr>
<tr>
<td>Action Item 3:</td>
<td>EMA to consolidate forward work plan including interdependencies.</td>
</tr>
<tr>
<td>Action Item 4:</td>
<td>Emergency Services IAAG to complete terms of reference by 17 March 2004.</td>
</tr>
<tr>
<td>Action Item 5:</td>
<td>States/Territories to provide feedback on the Emergency Services IAAG Terms of Reference and information on their CIP programs.</td>
</tr>
<tr>
<td>Action Item 6:</td>
<td>Water Services IAAG to finalise exercise report and distribute to CIAC members.</td>
</tr>
<tr>
<td>Action Item 7:</td>
<td>AGD to establish Iconic and Public Buildings IAAG</td>
</tr>
<tr>
<td>Action Item 8:</td>
<td>AGD to extend Item 3 of the IAAG forward work plans to incorporate more operational aspects of the process.</td>
</tr>
<tr>
<td>Action Item 9:</td>
<td>AGD to facilitate a Discussion Exercise in June.</td>
</tr>
<tr>
<td>Action Item 10:</td>
<td>AGD to undertake assessment of sector interdependencies and report to IAAGs on findings.</td>
</tr>
<tr>
<td>Action Item 11:</td>
<td>AGD to establish Built Environment EAG</td>
</tr>
<tr>
<td>Action Item 12:</td>
<td>Built Environment EAG to consider whether its membership is adequate.</td>
</tr>
<tr>
<td>Action Item 13:</td>
<td>AGD to work on CIP Futures EAG nominees and come back to the CIAC out of session.</td>
</tr>
<tr>
<td>Action Item 14:</td>
<td>IAAGs to review and discuss issue of adopting the Deed of Confidentiality in time to report back at next CIAC meeting.</td>
</tr>
</tbody>
</table>

**Customs: Explosive Detector Dogs**

*(Question No. 3504)*

**Mr McClelland** asked the Minister representing the Minister for Justice and Customs, upon notice, on 11 May 2004:

1. In respect of the 2002-2003 Budget measure “Increased number of explosive detector dogs at Australian airports”, what sum has been spent during (a) 2002-2003, and (b) 2003-2004 on additional explosive detector dogs at Australian airports.

2. How many additional dogs were deployed during (a) 2002-2003, and (b) 2003-2004.

**Mr Ruddock**—The Minister for Justice and Customs has provided the following answer to the honourable member’s question:
(1) The funding received and expenditure on the Explosive Detection Canine (EDC) measure is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2002-03</th>
<th>2003-04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget</td>
<td>$1.1m</td>
<td>$1.4m</td>
</tr>
<tr>
<td>Actual Expenditure</td>
<td>$1.2m</td>
<td>$1.155m (Year to Date 29.04.04)</td>
</tr>
</tbody>
</table>

(2) (a) During the 2002-2003 financial year, 12 additional EDC teams were deployed taking the total number of EDC teams to 18. (12 Budget funded, 6 commercially funded)

(b) During the 2003-2004 financial year, 3 additional EDC teams were deployed taking the total number of EDC teams to 21. (12 Budget funded, 9 commercially funded)

Australian Federal Police: Terrorism and Dealing with Assets

(1) For the financial year (a) 2002-2003, and (b) 2003-2004, how many requests for assistance were received by the Australian Federal Police (AFP) for assistance under the Charter of the United Nations (Terrorism and Dealings with Assets) Regulations 2002.

(2) How many hours did the AFP attribute to handling these requests.

Immigration: Electronic Visas

(1) In which foreign countries can persons apply electronically for a visa to enter Australia.

(2) For each of these countries, (a) does the government maintain a database or list of persons potentially involved in terrorism, (b) what is the name of the list or database, (c) which authority maintains the list or database, and (d) is the information on the list or database provided to the Australian Government, if so, how often is that information provided to Australia and under what arrangements.
(b) See (a).
(c) See (a).
(d) The Government’s arrangements for the development and maintenance of information about terrorism and suspected terrorists are the responsibility of the Attorney-General.

Details of Australian visas which can be applied for electronically

<table>
<thead>
<tr>
<th>Visa type</th>
<th>Countries whose citizens can apply electronically</th>
<th>Additional information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electronic Travel Authority (ETA) – for short stay tourist and business travellers (commenced 1996, with Internet lodgement from 2001)</td>
<td>Andorra, Austria, Belgium, Brunei, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong SAR, Iceland, Ireland, Italy, Japan Republic of Korea, Liechtenstein, Luxembourg, Malaysia, Malta, Monaco, Netherlands, Norway, Portugal, San Marino, Singapore, Spain, Sweden, Switzerland, United Kingdom, USA, Vatican City</td>
<td>From 1 July 2004, nationals of the Republic of Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia will also be eligible to apply for a 676 visa electronically An agreement has also been signed with Belgium but has not yet come into effect.</td>
</tr>
<tr>
<td>Short Stay Visitor Visa (commenced March 2003)</td>
<td>United Arab Emirates, Kuwait</td>
<td></td>
</tr>
<tr>
<td>Working Holiday Visa (commenced July 2002)</td>
<td>Canada, Republic of Cyprus, Denmark, France, Finland Germany, Hong Kong SAR, Ireland, Italy, Republic of Korea, Japan, Malta, Netherlands, Norway, Sweden, United Kingdom</td>
<td></td>
</tr>
<tr>
<td>Offshore Student Visa (Assessment Level 1 – low risk) (commenced September 2001)</td>
<td>Andorra, Austria, Belgium, Brunei, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong SAR, Iceland, Ireland, Italy, Japan, Republic of Korea, Liechtenstein, Luxembourg, Malaysia, Malta, Monaco, Netherlands, Norway, Portugal, San Marino, Singapore, Spain, Sweden, Switzerland, Taiwan, Thailand, United Kingdom, USA, Vatican City</td>
<td></td>
</tr>
<tr>
<td>Onshore Student Visa – initial visa, extension of stay, permission to work (commenced February 2002)</td>
<td>Any nationality</td>
<td>Applicant must be in Australia</td>
</tr>
<tr>
<td>Long Stay Temporary Business Visa (commenced July 2003)</td>
<td>Any nationality</td>
<td></td>
</tr>
</tbody>
</table>
Tuesday, 22 June 2004  HOUSE OF REPRESENTATIVES  31189

<table>
<thead>
<tr>
<th>Visa type</th>
<th>Countries whose citizens can apply electronically</th>
<th>Additional information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visitor Visa Extension</td>
<td>Any nationality</td>
<td>Applicant must be in Australia</td>
</tr>
<tr>
<td>(commenced September 2001)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident Return Visa</td>
<td>Any nationality</td>
<td>Applicant must be in Australia</td>
</tr>
<tr>
<td>(commenced September 2001)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Defence: Marine Patrols
(Question No. 3536)

Mr McClelland asked the Minister representing the Minister for Defence, upon notice, on 11 May 2004:
What number of days has the Government set as a target for marine patrols in the Southern Ocean in (a) 2004-2005, and (b) 2005-2006.

Mr Brough—The Minister for Defence has provided the following answer to the honourable member’s question:
This matter is the responsibility of the Minister for Justice and Customs.

Attorney-General’s: Staff
(Question No. 3544)

Mr McClelland asked the Attorney-General, upon notice, on 11 May 2004:
(1) What is the full list of groups, divisions, branches and other work units (however named) in the Minister’s department.
(2) How many full-time equivalent staff currently work in each work unit.
(3) In respect of each work unit, how many staff are (a) ongoing, and (b) non-ongoing, and what are their broad banded classifications.
(4) What was the operating cost of each work unit for 2002-2003
(5) What is the budgeted operating cost for (a) 2003-2004, and (b) 2004-2005.

Mr Ruddock—The answer to the honourable member’s question is as follows:
(1) The full list of divisions and groups is attached at A.
(2) A table indicating the number of full time equivalent staff in each group and division is attached at B.
(3) A table indicating staff numbers in each group and division, their employment contract status and their classifications has been attached at C.
(4) A table indicating the operating cost of each work unit for 2002-2003 has been attached at D.
These costs are direct employees and supplier expenses and do not include property or depreciation expenses.
(5) A table indicating the budgeted operating cost of each work unit for 03-04 has been attached at E.
The Department is not able to provide budget estimates for work units for 2004-05 as it is currently undergoing a process of assessing priorities and determining resourcing needs for work units for the next financial year.
ATTACHMENT A.
Full list of Attorney-General’s Department Groups and Divisions
Executive (Exec)
Solicitor General (Sol Gen)
Civil Justice and Legal Services Group (CJ&LS)
Civil Justice Division (CJD)
Family Law and Legal Assistance Division (FLLAD)
Office of International Law (OIL)
Office of Legislative Drafting (OLD)
Legal Services and Native Title Division (LSNTD)
Criminal Justice and Security Group (CJ&S)
Criminal Justice Division (CrJD)
Emergency Management Australia (EMA)
Information and Security Law Division (ISLD)
Protective Security Coordination Centre (PSCC)
Information and Knowledge Services (IKS)
Corporate Services Group (CSG) ATTACHMENT B.
Full Time Equivalent Staff by Division
30 April 2004

| Division | Exec | Sol | Gen | CJ&LS | CJD | FLLAD | OIL | LS&NT | CJ&S | CrJD | ESA | LSNTD | CJ&S | CrJD | EMA | ISLD | PSCC | I&KS | CSG | Grand Total |
|----------|------|-----|-----|-------|-----|-------|-----|-------|-----|-----|-----|-------|-----|-----|-----|-----|-----|----|-------------|
| APSL1/2  | 0.00 | 0.00| 0.00| 0.70  | 7.00| 0.00  | 2.00| 0.00  | 0.00| 1.00| 1.00| 4.00  | 2.00| 8.36| 26.06|
| APSL3    | 0.00 | 0.00| 0.00| 5.00  | 9.83| 2.00  | 4.40| 3.60  | 0.00| 3.00| 6.00| 6.00  | 11.00| 6.00| 13.67|
| APSL3/4  | 0.00 | 0.00| 0.00| 0.00  | 0.00| 0.00  | 0.00| 0.00  | 0.00| 0.00| 1.00| 1.00  | 8.00| 0.00| 10.00|
| APSL4    | 1.00 | 0.00| 0.00| 3.00  | 8.20| 1.00  | 9.00| 2.00  | 0.00| 5.60| 6.00| 3.00  | 9.60| 5.00| 11.10|
| APSL4/5  | 0.00 | 0.00| 0.00| 0.00  | 0.00| 0.00  | 0.00| 0.00  | 0.00| 0.00| 0.00| 9.00  | 4.00| 0.00| 13.00|
| APSL5    | 0.00 | 0.00| 1.00| 1.00  | 4.00| 0.00  | 5.00| 1.00  | 1.00| 3.40| 5.00| 1.00  | 18.00| 9.00| 10.00|
| APSL5/6  | 0.00 | 0.00| 0.00| 0.00  | 0.00| 0.00  | 0.00| 0.00  | 0.00| 0.00| 0.00| 1.00  | 2.00| 4.00| 11.00|
| APSL6    | 1.00 | 1.00| 0.00| 1.00  | 8.77| 0.00  | 1.00| 1.00  | 0.00| 12.00| 13.93| 2.00  | 21.00| 7.00| 16.40|
| EXEL1    | 0.00 | 0.00| 0.00| 1.00  | 9.82| 0.00  | 2.00| 2.00  | 1.00| 16.72| 19.80| 2.00  | 30.00| 14.60| 18.42|
| EXEL2    | 0.00 | 0.00| 1.00| 1.00  | 5.00| 0.00  | 1.00| 2.00  | 0.00| 8.00| 7.00  | 3.00  | 12.00| 11.00| 8.00  |
| GRAD     | 0.00 | 0.00| 0.00| 1.00  | 7.00| 0.00  | 1.00| 1.00  | 0.00| 0.00| 0.00  | 0.00  | 0.00| 0.00  | 20.00|
| LO       | 0.00 | 0.00| 0.00| 13.21 | 16.73| 4.00  | 6.00| 5.00  | 0.00| 12.00| 7.00  | 0.00  | 1.00  | 1.00  | 65.94|
| SLO      | 0.00 | 0.00| 0.00| 11.00 | 6.75 | 5.62  | 8.68| 9.56  | 0.00| 15.23| 12.26| 0.00  | 0.00  | 0.00  | 69.10|
| PLO      | 1.00 | 1.00| 0.00| 13.00 | 10.00| 3.80  | 6.37| 4.96  | 0.00| 11.80| 9.00  | 0.00  | 0.00  | 4.00  | 64.93|
| SES1     | 0.00 | 0.00| 0.00| 7.00  | 4.00 | 3.00  | 3.00| 4.00  | 0.00| 5.00| 4.60  | 4.00  | 3.00  | 2.00  | 39.60|
| SES2     | 0.00 | 0.00| 0.00| 2.00  | 1.00| 2.00  | 1.00| 1.00  | 0.00| 2.00| 1.00  | 1.00  | 1.00  | 1.00  | 14.00|
| SES3     | 0.00 | 0.00| 2.00| 0.00  | 0.00| 0.00  | 0.00| 0.00  | 0.00| 1.00| 0.00  | 0.00  | 0.00  | 0.00  | 3.00  |
| Totals   | 3.00 | 2.00| 4.00| 58.91 | 91.10| 21.42 | 49.45| 36.12 | 3.00| 95.75| 60.73 | 52.86 | 129.60| 67.60| 117.96|

ATTACHMENT C.
On-going Staff Headcount by Classification
30 April 2004

| Division | Exec | Sol | Gen | CJ&LS | CJD | FLLAD | OIL | LS&NT | CJ&S | CrJD | ESA | LSNTD | CJ&S | CrJD | ESA | ISLD | PSCC | I&KS | CSG | Grand Total |
|----------|------|-----|-----|-------|-----|-------|-----|-------|-----|-----|-----|-------|-----|-----|-----|-----|-----|----|-------------|
| APSL1/2  | 0    | 0   | 0   | 0     | 0   | 0     | 0   | 0     | 0   | 1   | 1   | 2     | 2   | 2   | 1   | 2   | 2   | 1   | 15  |
| APSL3    | 0    | 0   | 0   | 4     | 8   | 1     | 4   | 2     | 0   | 2   | 5   | 3     | 10  | 4   | 13  | 56  |
| APSL3/4  | 0    | 0   | 0   | 0     | 0   | 0     | 0   | 0     | 0   | 0   | 1   | 8     | 0   | 0   | 10  | 59  |
| APSL4    | 0    | 0   | 0   | 1     | 6   | 1     | 7   | 2     | 0   | 6   | 5   | 3     | 10  | 5   | 12  | 59  |
| APSL4/5  | 0    | 0   | 0   | 0     | 0   | 0     | 0   | 0     | 0   | 0   | 1   | 8     | 4   | 0   | 12  | 55  |
| APSL5    | 0    | 0   | 1   | 1     | 2   | 0     | 5   | 1     | 1   | 4   | 5   | 1     | 16  | 9   | 9   | 55  |
| APSL5/6  | 0    | 0   | 0   | 0     | 0   | 0     | 0   | 0     | 0   | 0   | 1   | 2     | 4   | 4   | 11  | 58  |

QUESTIONS ON NOTICE
<table>
<thead>
<tr>
<th>Division</th>
<th>Exec Sol Gen GM CJ&amp;LS CJD FL LA OIL OLD LS&amp;N GM CJ&amp;LS CJD EM ISLD PSCC I&amp;KS CSG</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>APSL6 1</td>
<td>0 0 0 1 1 0 1 0 1 1 2 1 15 7 15 79</td>
<td></td>
</tr>
<tr>
<td>EXEL1 0 0</td>
<td>0 0 0 1 1 0 2 2 1 16 20 1 30 15 18 117</td>
<td></td>
</tr>
<tr>
<td>EXEL2 0 0</td>
<td>0 0 0 1 1 0 1 2 0 8 7 3 12 11 8 59</td>
<td></td>
</tr>
<tr>
<td>GRAD 0 0 0</td>
<td>0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 20 20</td>
<td></td>
</tr>
<tr>
<td>LO 0 0 0</td>
<td>1 1 2 6 2 6 4 0 12 0 5 0 0 0 0 1 48</td>
<td></td>
</tr>
<tr>
<td>SLO 0 0 0</td>
<td>1 6 6 9 9 0 0 0 0 0 0 0 0 0 0 68</td>
<td></td>
</tr>
<tr>
<td>PLO 1 0 0</td>
<td>1 1 1 1 2 0 1 1 3 1 2 1 1 17</td>
<td></td>
</tr>
<tr>
<td>SES1 0 0 0</td>
<td>0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 2</td>
<td></td>
</tr>
<tr>
<td>SES2 0 0 0</td>
<td>0 0 0 2 1 2 1 1 0 2 1 1 1 1 1 14</td>
<td></td>
</tr>
<tr>
<td>SES3 0 0 0</td>
<td>0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 3</td>
<td></td>
</tr>
<tr>
<td>Totals 3 0</td>
<td>4 53 69 19 48 33 3 95 59 48 118 65 113 730</td>
<td></td>
</tr>
</tbody>
</table>

**ATTACHMENT C.** (continued)

**Non-ongoing Headcount by Classification**

30 April 2004

<table>
<thead>
<tr>
<th>Division</th>
<th>Exec Sol Gen GM CJ&amp;LS CJD FL LA OIL OL LS&amp;N GM CJ&amp;LS CJD EM ISLD PSCC I&amp;KS CSG</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>APSL1/2 0</td>
<td>0 0 0 0 7 0 0 0 0 0 0 0 0 0 2 0 3 12</td>
<td></td>
</tr>
<tr>
<td>APSL3 0 0 0</td>
<td>1 3 1 1 2 0 1 1 3 1 2 1 1 17</td>
<td></td>
</tr>
<tr>
<td>APSL3/4 0 0 0</td>
<td>0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0</td>
<td></td>
</tr>
<tr>
<td>APSL4 0 0 0</td>
<td>2 3 0 2 0 0 0 0 1 0 0 0 0 0 8</td>
<td></td>
</tr>
<tr>
<td>APSL4/5 0 0 0</td>
<td>0 0 0 0 0 0 0 0 0 0 0 0 0 0 1 0 0 1</td>
<td></td>
</tr>
<tr>
<td>APSL5 0 0 0</td>
<td>0 0 0 0 0 0 0 0 0 0 0 0 0 0 1 0 0 1</td>
<td></td>
</tr>
<tr>
<td>APSL5/6 0 0 0</td>
<td>0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0</td>
<td></td>
</tr>
<tr>
<td>APSL6 0 1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 1 0 6 0 2 10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EXEL1 0 0 0</td>
<td>0 0 0 0 0 0 0 0 0 0 0 0 0 0 1 0 0 1 3</td>
<td></td>
</tr>
<tr>
<td>EXEL2 0 0 0</td>
<td>0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0</td>
<td></td>
</tr>
<tr>
<td>GRAD 0 0 0</td>
<td>0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0</td>
<td></td>
</tr>
<tr>
<td>LO 0 0 0</td>
<td>2 11 2 0 1 0 0 0 0 0 0 0 0 0 0 1 0 0 2 1 1 0 1 0 1 19</td>
<td></td>
</tr>
<tr>
<td>SLO 0 0 0</td>
<td>1 1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 4</td>
<td></td>
</tr>
<tr>
<td>PLO 1 1 0</td>
<td>1 1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 2</td>
<td></td>
</tr>
<tr>
<td>SES1 0 0 0</td>
<td>0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0</td>
<td></td>
</tr>
<tr>
<td>SES2 0 0 0</td>
<td>0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0</td>
<td></td>
</tr>
<tr>
<td>SES3 0 0 0</td>
<td>0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0</td>
<td></td>
</tr>
<tr>
<td>Totals 2 0</td>
<td>0 7 27 3 3 4 0 3 3 6 12 3 8 81</td>
<td></td>
</tr>
<tr>
<td>Casuals 0 0 0</td>
<td>0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 36</td>
<td></td>
</tr>
</tbody>
</table>

**ATTACHMENT D.**

Operating Costs for Each Work Unit 2002-2003

<table>
<thead>
<tr>
<th>Exec Sol Gen GM CJ&amp;LS CJD FL LA OIL OL LS&amp;NT</th>
<th>$768,000 $708,000 $601,000 $4,719,000 $8,142,000 $2,332,000 $4,159,000 $6,319,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>GM CJ&amp;LS CrJD EMA ISLD PSCC I&amp;KS CSG</td>
<td>$401,000 $24,612,000 $23,177,000 $5,123,000 $40,439,000 $11,585,000 $14,841,000 $148,126,000</td>
</tr>
</tbody>
</table>

**ATTACHMENT E.**

Budgeted Operating Costs for Each Work Unit 2003-2004

<table>
<thead>
<tr>
<th>Exec Sol Gen GM CJ&amp;LS CJD FL LA OIL OL LS&amp;NT</th>
<th>$731,000 $831,000 $826,000 $4,897,000 $7,955,000 $2,414,000 $4,244,000 $6,252,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>GM CJ&amp;LS CrJD EMA ISLD PSCC I&amp;KS CSG</td>
<td>$494,000 $34,725,000 $23,377,000 $6,095,000 $48,427,000 $11,590,000 $15,651,000 $168,509,000</td>
</tr>
</tbody>
</table>

Budgeted Operating Costs for Each Work Unit 2004-2005

Not available until August 2004, however should not differ far from 2003-2004 figures.

**QUESTIONS ON NOTICE**
Immigration and Multicultural and Indigenous Affairs: Staffing
(Question No. 3547)

Mr McClelland asked the Minister representing the Minister for Immigration and Multicultural and Indigenous Affairs, upon notice, on 11 May 2004:

(1) What is the full list of groups, divisions, branches and other work units (however named) in the Minister’s department.
(2) How many full-time equivalent staff currently work in each work unit.
(3) In respect of each work unit, how many staff are (a) ongoing, and (b) non-ongoing, and what are their broad-banded classifications.
(4) What was the operating cost of each work unit for 2002-2003.
(5) What is the budgeted operating cost for (a) 2003-2004, and (b) 2004-2005.

Mr Hardgrave—The Minister for Immigration and Multicultural and Indigenous Affairs has provided the following answer to the honourable member’s question:

(1) See Attachment A below for the full list of Divisions, Regions and other major work units in the Department of Immigration and Multicultural and Indigenous Affairs.
(2) and (3) Data on full-time equivalent staff, ongoing and non-ongoing staff, and their classifications is readily available only at divisional level. See Attachments A and B below.
(4) Data on operating costs is readily available only at divisional level. See Attachment C below for operating costs for 2002-2003.
(5) (a) See Attachment C below for operating costs for 2003-2004. (b) Data unavailable as operating costs for 2004-2005 are yet to be determined through the internal allocation processes.

Attachment A

Department of Immigration & Multicultural & Indigenous Affairs

Full-time Equivalent (FTE) Staff at 30 April 2004

<table>
<thead>
<tr>
<th>Division/Region/Other</th>
<th>Branches</th>
<th>Ongoing</th>
<th>Non-ongoing</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parliamentary and Legal</td>
<td>Legal Services and Litigation</td>
<td>157</td>
<td>19</td>
<td>176</td>
</tr>
<tr>
<td></td>
<td>Visa Framework</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ministerial and Communications</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refugee Humanitarian and International</td>
<td>Humanitarian</td>
<td>141</td>
<td>12</td>
<td>153</td>
</tr>
<tr>
<td></td>
<td>Offshore Protection</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>International Cooperation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Border Control and Compliance</td>
<td>Identity Fraud and Biometrics</td>
<td>289</td>
<td>15</td>
<td>304</td>
</tr>
<tr>
<td></td>
<td>Compliance and Analysis</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Entry Policy and Systems</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Migration and Temporary Entry</td>
<td>Offshore Asylum Seeker Management</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Migration</td>
<td>241</td>
<td>13</td>
<td>254</td>
</tr>
<tr>
<td></td>
<td>Temporary Entry</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Business</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Delivery Innovation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Governance</td>
<td>Human Resource Management</td>
<td>187</td>
<td>4</td>
<td>191</td>
</tr>
<tr>
<td></td>
<td>Overseas Coordination and Client Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reporting and Corporate Information</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Division/Region/Other</td>
<td>Branches</td>
<td>Ongoing</td>
<td>Non-ongoing</td>
<td>Total</td>
</tr>
<tr>
<td>----------------------</td>
<td>----------</td>
<td>---------</td>
<td>-------------</td>
<td>-------</td>
</tr>
<tr>
<td>Citizenship and Multicultural Affairs</td>
<td>Systems Property and Performance Improvement Multicultural Affairs Citizenship and Language Services Settlement</td>
<td>126</td>
<td>4</td>
<td>130</td>
</tr>
<tr>
<td>Business Solutions Group</td>
<td>IT Business Support and Governance IT Infrastructure and Resource Management Applications Systems</td>
<td>275</td>
<td>12</td>
<td>287</td>
</tr>
<tr>
<td>Financial Strategy</td>
<td>Detention Policy Detention Contract and Infrastructure Unauthorised Arrivals and Detention Operations</td>
<td>53</td>
<td>4</td>
<td>57</td>
</tr>
<tr>
<td>Office of Aboriginal and Torres Strait Islander Affairs</td>
<td>Land, Legal and Economic Development Social Programmes and Reconciliation</td>
<td>30</td>
<td>4</td>
<td>34</td>
</tr>
<tr>
<td>Overseas Posts</td>
<td>157</td>
<td>2</td>
<td>159</td>
<td></td>
</tr>
<tr>
<td>New South Wales</td>
<td>875</td>
<td>122</td>
<td>997</td>
<td></td>
</tr>
<tr>
<td>Victoria, including the Translating and Interpreting Service</td>
<td>490</td>
<td>69</td>
<td>559</td>
<td></td>
</tr>
<tr>
<td>Queensland</td>
<td>231</td>
<td>2</td>
<td>233</td>
<td></td>
</tr>
<tr>
<td>South Australia</td>
<td>185</td>
<td>51</td>
<td>236</td>
<td></td>
</tr>
<tr>
<td>Western Australia</td>
<td>254</td>
<td>35</td>
<td>289</td>
<td></td>
</tr>
<tr>
<td>Tasmania</td>
<td>45</td>
<td>0</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td>ACT</td>
<td>66</td>
<td>1</td>
<td>67</td>
<td></td>
</tr>
<tr>
<td>Northern Territory</td>
<td>29</td>
<td>2</td>
<td>31</td>
<td></td>
</tr>
<tr>
<td>Executive</td>
<td>7</td>
<td>0</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Indigenous Community Coordination Taskforce</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>TOTALS</td>
<td>3965</td>
<td>387</td>
<td>4352</td>
<td></td>
</tr>
</tbody>
</table>

Attachment B

Department of Immigration & Multicultural & Indigenous Affairs

Employee classifications by Division/Region/Other

<table>
<thead>
<tr>
<th>Division/Region/Other</th>
<th>ACFT 5</th>
<th>APS 1</th>
<th>APS 2</th>
<th>APS 3</th>
<th>APS 4</th>
<th>APS 5</th>
<th>APS 6</th>
<th>EL 1</th>
<th>EL 2</th>
<th>SES 1</th>
<th>SES 2</th>
<th>SES 3</th>
<th>Sec 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parliamentary and Legal Refugee, Humanitarian and International</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>176</td>
</tr>
<tr>
<td>Border Control and Compliance</td>
<td>1</td>
<td>3</td>
<td>28</td>
<td>19</td>
<td>52</td>
<td>93</td>
<td>83</td>
<td>20</td>
<td>4</td>
<td>1</td>
<td>304</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Migration and Temporary Entry Corporate Governance</td>
<td>2</td>
<td>10</td>
<td>33</td>
<td>27</td>
<td>48</td>
<td>49</td>
<td>49</td>
<td>16</td>
<td>5</td>
<td>1</td>
<td>191</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Citizenship and Multicultural Affairs</td>
<td>1</td>
<td>6</td>
<td>12</td>
<td>14</td>
<td>35</td>
<td>44</td>
<td>44</td>
<td>14</td>
<td>3</td>
<td>1</td>
<td>130</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

QUESTIONS ON NOTICE
### Questions on Notice

#### Division/Region/Other ACFT APS APS APS APS EL 1 EL 2 SES SES SES Sec Total

<table>
<thead>
<tr>
<th>Division/Region/Other</th>
<th>ACFT</th>
<th>APS 1</th>
<th>APS 2</th>
<th>APS 3</th>
<th>APS 4</th>
<th>APS 5</th>
<th>APS 6</th>
<th>EL 1</th>
<th>EL 2</th>
<th>SES 1</th>
<th>SES 2</th>
<th>SES 3</th>
<th>Sec</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Solutions Group</td>
<td>1</td>
<td>9</td>
<td>35</td>
<td>34</td>
<td>49</td>
<td>112</td>
<td>43</td>
<td>3</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>287</td>
</tr>
<tr>
<td>Financial Strategy</td>
<td>3</td>
<td>13</td>
<td>6</td>
<td>12</td>
<td>16</td>
<td>6</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>57</td>
</tr>
<tr>
<td>Unauthorised Arrivals and Detention</td>
<td>19</td>
<td>13</td>
<td>14</td>
<td>42</td>
<td>13</td>
<td>13</td>
<td>4</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>140</td>
</tr>
<tr>
<td>Office of Aboriginal and Torres Strait Islander Affairs</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>4</td>
<td>3</td>
<td>11</td>
<td>9</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>34</td>
</tr>
<tr>
<td>New South Wales</td>
<td>4</td>
<td>7</td>
<td>275</td>
<td>287</td>
<td>199</td>
<td>161</td>
<td>48</td>
<td>14</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>997</td>
</tr>
<tr>
<td>Victoria, including the Translating and Interpreting Service</td>
<td>5</td>
<td>2</td>
<td>197</td>
<td>121</td>
<td>113</td>
<td>90</td>
<td>24</td>
<td>6</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>559</td>
</tr>
<tr>
<td>Queensland</td>
<td>1</td>
<td>3</td>
<td>56</td>
<td>83</td>
<td>49</td>
<td>28</td>
<td>10</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>233</td>
</tr>
<tr>
<td>South Australia</td>
<td>1</td>
<td>1</td>
<td>82</td>
<td>57</td>
<td>61</td>
<td>25</td>
<td>6</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>236</td>
</tr>
<tr>
<td>Western Australia</td>
<td>1</td>
<td>35</td>
<td>58</td>
<td>60</td>
<td>93</td>
<td>30</td>
<td>9</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>289</td>
</tr>
<tr>
<td>Tasmania</td>
<td>1</td>
<td>18</td>
<td>4</td>
<td>13</td>
<td>4</td>
<td>4</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>45</td>
</tr>
<tr>
<td>ACT</td>
<td>0</td>
<td>16</td>
<td>13</td>
<td>21</td>
<td>10</td>
<td>5</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>67</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>1</td>
<td>5</td>
<td>7</td>
<td>11</td>
<td>4</td>
<td>1</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>31</td>
</tr>
<tr>
<td>Executive, including the Indigenous Community Coordination Taskforce</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>Totals</td>
<td>9</td>
<td>14</td>
<td>57</td>
<td>822</td>
<td>814</td>
<td>783</td>
<td>883</td>
<td>696</td>
<td>219</td>
<td>40</td>
<td>12</td>
<td>2</td>
<td>1</td>
<td>4,352</td>
</tr>
</tbody>
</table>

**Attachment C**

Department of Immigration & Multicultural & Indigenous Affairs

Operating Costs

**Operating Cost 2002-03**

<table>
<thead>
<tr>
<th>Division/Region/Other</th>
<th>$'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parliamentary and Legal</td>
<td>40,963</td>
</tr>
<tr>
<td>Refugee, Humanitarian and International</td>
<td>11,396</td>
</tr>
<tr>
<td>Border Control and Compliance</td>
<td>34,545</td>
</tr>
<tr>
<td>Migration and Temporary Entry</td>
<td>25,266</td>
</tr>
<tr>
<td>Corporate Governance, including Financial Strategy and Overseas Posts</td>
<td>168,240</td>
</tr>
<tr>
<td>Citizenship and Multicultural Affairs</td>
<td>29,780</td>
</tr>
<tr>
<td>Business Solutions Group</td>
<td>88,960</td>
</tr>
<tr>
<td>Unauthorised Arrivals and Detention</td>
<td>173,263</td>
</tr>
<tr>
<td>Office of Aboriginal and Torres Strait Islander Affairs</td>
<td>3,547</td>
</tr>
<tr>
<td>ACT Regional Office</td>
<td>4,001</td>
</tr>
<tr>
<td>New South Wales</td>
<td>59,789</td>
</tr>
<tr>
<td>Victoria, including the Translating and Interpreting Service</td>
<td>36,375</td>
</tr>
<tr>
<td>Queensland</td>
<td>15,803</td>
</tr>
<tr>
<td>South Australia</td>
<td>11,586</td>
</tr>
<tr>
<td>Western Australia</td>
<td>15,550</td>
</tr>
<tr>
<td>Tasmania</td>
<td>2,496</td>
</tr>
</tbody>
</table>

**Budgeted Operating Cost 2003-04**

<table>
<thead>
<tr>
<th>Division/Region/Other</th>
<th>$'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parliamentary and Legal</td>
<td>39,063</td>
</tr>
<tr>
<td>Refugee, Humanitarian and International</td>
<td>18,351</td>
</tr>
<tr>
<td>Border Control and Compliance</td>
<td>41,889</td>
</tr>
<tr>
<td>Migration and Temporary Entry</td>
<td>27,172</td>
</tr>
<tr>
<td>Corporate Governance, including Financial Strategy and Overseas Posts</td>
<td>181,156</td>
</tr>
<tr>
<td>Citizenship and Multicultural Affairs</td>
<td>32,902</td>
</tr>
<tr>
<td>Business Solutions Group</td>
<td>92,629</td>
</tr>
<tr>
<td>Unauthorised Arrivals and Detention</td>
<td>129,746</td>
</tr>
<tr>
<td>Office of Aboriginal and Torres Strait Islander Affairs</td>
<td>3,475</td>
</tr>
<tr>
<td>ACT Regional Office</td>
<td>4,776</td>
</tr>
<tr>
<td>New South Wales</td>
<td>64,696</td>
</tr>
<tr>
<td>Victoria, including the Translating and Interpreting Service</td>
<td>45,481</td>
</tr>
<tr>
<td>Queensland</td>
<td>19,966</td>
</tr>
<tr>
<td>South Australia</td>
<td>18,836</td>
</tr>
<tr>
<td>Western Australia</td>
<td>18,920</td>
</tr>
<tr>
<td>Tasmania</td>
<td>3,727</td>
</tr>
</tbody>
</table>
Division/Region/Other Operating Cost 2002-03 Budgeted operating cost 2003-04

Northern Territory 3,433 2,943
Other, including the Executive, and the Indigenous Community Coordination Taskforce 7,816 40,732
Quarantined Output 1.5 Offshore Asylum Seeker Management 90,230 45,577
Total 823,009 832,035

1 This 2003-04 budget item includes $23.8m for the transfer of assets from DOTARS, and $6.7m in the output pool that has not been allocated.
2 Contract payments transferred to Administrative funding in 2003-04

Environment: Timber Products
(Question No. 3550)

Mr Kelvin Thomson asked the Minister for the Environment and Heritage, upon notice, on 11 May 2004:

(1) What present powers or controls are in place in respect of the importation of timber products which have been produced illegally.

(2) What powers and obligations does the Government have in respect of the importation of (a) illegally logged timber, and (b) timber products made from illegally logged timber.

(3) Is he able to say how many countries have taken action in respect of the importation of timber illegally logged, or products made from timber illegally logged, in Papua New Guinea; if so, which countries have taken action and what action was taken.

Dr Kemp—The answer to the honourable member’s question is as follows:

(1) (2) Timber species listed under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and their derivatives cannot be imported into Australia unless a valid export permit, and an import permit for commercial consignments, accompany the shipment. CITES listed species that are illegally logged cannot be issued export permits under CITES requirements and, as such, are prohibited imports. There are over 160 countries that are signatories to CITES and each of these is required to apply the CITES permitting regime to protect threatened or vulnerable species from overexploitation in international trade. Australia is working to build institutional and technological capacity in the Asia-Pacific region as the principal means to address illegal logging of non-CITES listed species. Australia’s aid program contributes to the forest sector in this region through projects under country and regional programs, and contributions to multilateral agencies and organisations.

(3) The Australian Government is seeking to address the serious and complex issue of illegal logging in Papua New Guinea by working towards increased cooperation between countries to enable harmonisation of forestry certification standards and to facilitate mutual recognition of certification schemes. To my knowledge, I am unaware of other actions individual countries may or may not be taking.

Environment: Threatened Seabirds
(Question No. 3553)

Mr Kelvin Thomson asked the Minister for the Environment and Heritage, upon notice, on 11 May 2004:
Will he be reviewing the status of the (a) Black-browed Albatross, (b) Fleshy-Footed Shearwater, (c) Indian Yellow-Nosed Albatross, and (d) Sooty Albatross, all threatened seabirds, following the release of the International Union for the Conservation of Nature Red List review; if not, what action will he take to ensure the continuation of these species.

Dr Kemp—The answer to the honourable member’s question is as follows:


The Indian Yellow-Nosed Albatross and Sooty Albatross are already listed as Vulnerable species under the EPBC Act. A nomination for the Black-browed Albatross was received in April 2004 and the Threatened Species Scientific Committee is currently considering this species’ eligibility for listing as threatened under the EPBC Act.

The Australian Government already has plans in place that aid in the conservation and ongoing protection of the Black-browed Albatross, Indian Yellow-Nosed Albatross, Sooty Albatross and Fleshy-footed Shearwater. A Recovery Plan for Albatrosses and Giant-Petrels has been in place since 2001. In addition, there is a Threat Abatement Plan for the incidental catch (or by-catch) of seabirds during oceanic longline fishing operations, which addresses a key threat that has been identified for the four above mentioned seabird species.